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Publications

DOMINION OF CANADA

REPORT
OF THE
AUDITOR GENERAL

FOR THE
YEAR ENDED MARCH 31
1942



OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

Price, \$3.00.

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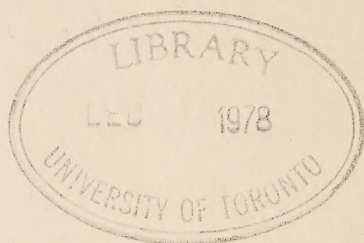


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REPORT OF THE AUDITOR GENERAL

1941-42

REVENUES

The revenues of the Dominion for the fiscal year ended March 31, 1942, including Ordinary Revenues, Special Receipts and Refunds to Capital Account, amounted to \$1,485,905,949.45. Credits to non-active accounts added \$2,630,393.52 bringing the grand total of receipts and credits to \$1,488,536,342.97, an increase of \$616,366,697.75 over the corresponding total of the previous year.

ORDINARY REVENUES

The total revenues on Ordinary Account, including taxes, interest on investments, premium, discount and exchange, and receipts on account of Post Office and other departmental services, amounted to \$1,463,824,202.71, an increase of \$604,069,274.36 over the amount received in 1940-41. Increases in the collections for the Departments of National Revenue, Finance and Post Office, amounting to \$582,642,187.17, \$12,338,315 and \$5,631,956.12 respectively, accounted for the greater part of the increase.

SPECIAL RECEIPTS

Special receipts and credits to Consolidated Fund amounted to \$21,060,093.71, an increase of \$12,521,858.05 compared with the amount received in the previous year. Of the total, \$99,274.17 was a credit to Consolidated Fund on account of the capital gain on the redemption at \$4.45 to the pound sterling of Grand Trunk Railway 4 per cent perpetual debenture stock, which was taken into the accounts as an offset to a corresponding increase in the Canadian National Railways Securities Trust Stock, represented by a charge to Non-Active Accounts in the year's expenditure. An amount of \$4,016,326.74, similarly credited to special receipts, was an offset to an equivalent increase in the Dominion's equity in the Canadian National Railways due to the surplus earnings of the railway system during the calendar year 1941. Donations received during the year totalled \$459,106.72, of which \$458,583.82 represented sums donated to the government to assist in the prosecution of the war, and \$522.90 donated for the relief of persons in distress. Of the balance, \$3,183,466.02 was for special revenues arising out of the war, \$13,200,180.08 for refunds of previous years' war expenditures, and \$101,739.98 for refunds of previous years' special expenditures.

CREDITS TO NON-ACTIVE ACCOUNTS

A total of \$2,630,393.52 was credited to non-active accounts during the year, a decrease of \$1,225,683.70 compared with the amount credited in the previous fiscal period. Of this amount, \$2,597,595.05 was an offset to an equivalent amount included in the year's expenditures on account of non-active assets written down to Consolidated Fund. The balance of \$32,798.47 consisted of a reduction in the indebtedness of the National Harbours Board.

CAPITAL REFUNDS

Refunds of previous years' expenditures and other credits to Capital Account during 1941-42 totalled \$1,021,653.03, an increase of \$1,001,249.04 compared with the amount credited to this account during the preceding year. Of this total, \$983,806.08 consisted of insurance moneys received on the loss of the Prince Edward Island Car Ferry. The balance consisted of refunds of previous years' capital expenditures.

APPROPRIATIONS

Amounts totalling \$307,850,269.04 were granted by Parliament in the Annual Appropriation Acts, Nos. 1, 3 and 4, 1941, and No. 2, 1942, to defray the charges and expenses of the public service for the financial year ended March 31, 1942, and to make advances for certain active loans and investments. By the War Appropriation Act, 1941, and the Supplementary 1941 War Appropriation Act, Parliament provided sums totalling \$1,435,000,000 to meet the special expenditures necessitated by the state of war and to make such advances and loans as the Governor in Council deemed necessary or advisable. Section 2 of the War Appropriation Act, 1941, provided that "any moneys received as a refund or repayment of any advance, loan or expenditure made under the authority of *The War Appropriation Act, 1939, The War Appropriation Act, 1940, or this Act*, may, with the approval of the Governor in Council, be re-expended, advanced or loaned for the purposes of this Act." Refunds to which this section of the Act applied amounted to \$49,714,182.74, and accordingly the appropriations available for war purposes have been increased by an equivalent amount. In all, the total available for expenditures and advances under these authorities, exclusive of the amounts authorized under the terms of continuing statutes, was \$1,792,564,451.78.

Expenditures amounting to \$1,602,007,456.06 and advances for active loans and investments and miscellaneous current accounts amounting to \$43,145,870.64 were made under the authority of these appropriations, a total of \$1,645,153,326.70, leaving at the close of the fiscal year an unexpended and lapsed balance of \$147,411,125.08.

In addition to expenditures incurred under the authority of terminating annual appropriations, payments totalling \$283,058,599.15 were made from unappropriated moneys in the Consolidated Revenue Fund in conformity with the provisions of certain continuing statutory authorities. Expenditures for interest and other charges for servicing the public debt, old age pensions, provincial subsidies and grants, and salaries of the governor general, lieutenant governors and judges comprised more than seventy per cent of the total. In addition to the above, advances totalling \$252,556,458.54 for active loans and investments were made under the provisions of these continuing authorities, including \$191,602,582.22 authorized under the War Appropriation (United Kingdom Financing) Act, 1942.

The largest balance unexpended was that of the Appropriations for the Department of Finance, an amount of \$24,585,429.41 remaining unspent at the end of the fiscal year, of which \$23,879,556.68 was the unused portion of Vote 476 for compensation to the provinces *re* taxation agreements. Other departments with unexpended balances of grants in excess of \$500,000 were: Agriculture, \$5,125,586.32; Fisheries, \$525,080.91; Labour, \$4,054,140.38; Mines and Resources, \$769,427.33; Pensions and National Health, \$2,519,548.54; Post Office, \$1,376,037.27; Public Works, \$1,292,643.66; Trade and Commerce, \$1,342,145.93; Transport, \$2,214,545.37.

In addition to the departmental totals of lapsing appropriations, balances of allotments from the War Appropriations to an amount of \$33,036,848.04 were unspent and lapsed at the close of the fiscal year. Also the unallotted portion of the War Appropriations, amounting to \$69,186,506.35 and including refunds and repayments available for re-allotment to an amount of \$49,714,182.74, lapsed at the end of the financial year.

The number of votes for which there remained unexpended balances in excess of \$500,000 when the accounts for the year were closed, was 10 for 1941-42 compared with 8 for 1940-41.

EXPENDITURES

The total expenditures for the fiscal year, including Ordinary, Special, War and Capital Expenditures, Operating Deficits of and Non-Active Advances to Government Owned Enterprises, Write-Down of Assets and Other Charges, amounted to \$1,885,066,055.21, an increase of \$635,464,608.77 over the total expenditures in the previous year. Included in the total was an amount of \$2,597,595.05 representing the write-down to Consolidated Fund of non-active assets which had been charged in the expenditures of previous years and for which there is an offsetting credit to Non-Active Assets in the revenues of the year under review.

ORDINARY EXPENDITURES

Ordinary expenditures, including interest and other charges for floating and servicing the public debt, pensions, subsidies and special grants to provinces in compensation for relinquishing the income and corporation tax fields for the war's duration, and the general administrative costs of government, amounted to \$444,777,695.70 for the fiscal year, an increase of \$54,148,345.68 compared with the corresponding total in 1940-41. The net increase was due mainly to increases in the expenditures of the following departments: Finance, \$47,026,224.25; Labour, \$10,026,804.56; National Revenue, \$1,199,129.95; Post Office, \$2,802,195.28; Trade and Commerce, \$1,559,274.03, offset by the following reductions: Chief Electoral Office, \$2,187,817.44; Legislation, \$1,512,629.62; Mines and Resources, \$4,556,674.23; Pensions and National Health, \$1,496,777.17.

SPECIAL EXPENDITURES

Special expenditures amounted to \$63,975,772.56, an increase of \$21,106,-674.03 compared with the amount spent in the previous fiscal year. Of this total, \$8,500,358.67 represents direct payments to provinces for material aid and municipal improvements projects, the Dominion's share of joint Dominion-Provincial relief works and projects, and expenditures on public works for which the Dominion was solely responsible, including administrative costs. Payments under the Prairie Farm Assistance Act, 1939, included \$422,459.67 for administration and \$11,848,362.14 for advances to the Prairie Farm Emergency Fund to cover acreage bonuses to farmers. Payments of awards under the Wheat Acreage Reduction Plan amounted to \$30,633,763.96. A further amount of \$12,570,828.12 was added to the reserve to meet deficits not previously provided for, resulting from the operations of the Canadian Wheat Board, as calculated at July 31, 1941, the close of the crop year 1940-41.

WAR EXPENDITURES

Of the total of \$1,484,714,182.74 available for allotment by the Governor in Council for war purposes under the provisions of the several appropriating authorities, \$1,372,708,425.35 was allotted for expenditures and \$42,819,251.04 for loans and advances, a total of \$1,415,527,676.39, leaving an unallotted balance

of \$69,186,506.35 at the end of the year. Expenditures amounting to \$1,339,674,-152.42 and loans and advances to an amount of \$42,816,675.93 were made from these allotments, a total of \$1,382,490,828.35, leaving an unexpended portion of \$33,036,848.04 to be added to the unallotted balance of the War Appropriation, making a total of \$102,223,354.39 which lapsed at the close of the fiscal year.

In addition to the provision for loans and advances under the terms of section 2 of the War Appropriation Act, 1941, Parliament provided in section 3 that "the Government of Canada may act as the agent of the government of a British or foreign country allied with His Majesty for any purpose which, in the opinion of the Governor in Council, will aid directly or indirectly in the prosecution of the war, and any obligations or costs incurred temporarily or assumed by the Government of Canada in the exercise of the powers hereby conferred may be paid out of any unappropriated moneys in the Consolidated Revenue Fund." As at March 31, 1942, amounts totalling \$121,279,575.97 were classed as active assets representing costs recoverable under this section from the United Kingdom, the dominions and colonies and countries allied with His Majesty. Also, under the provisions of section 3 of the Act, an amount of \$400,000,000 was advanced to the special account established pursuant to the Exchange Fund Act, 1935, to cover the costs assumed in the accumulation of sterling balances in providing Canadian dollars to assist the Government of the United Kingdom in purchasing its requirements of munitions of war, food stuffs and raw materials in Canada.

In accordance with the terms of the War Appropriation (United Kingdom Financing) Act, 1942, Canadian National Railways securities to the value of \$191,602,582.22 were repatriated during the year and were turned over to the railway company. Under the provisions of section 5 of the Act, a temporary loan to that amount was made to the Company to enable it to acquire these securities.

GOVERNMENT OWNED ENTERPRISES

Expenditures on account of Government Owned Enterprises amounted to \$1,214,255.57 of which \$456,166.13 consisted of net income deficits charged to Consolidated Fund, and \$758,089.44 was for advances which were debited to Loans and Advances Non-Active.

The principal item in the first category was the deficit of the Prince Edward Island Car Ferry and Terminals for the calendar year 1941, amounting to \$423,650.75. The balance of \$32,515.38 consisted of payments to the National Harbours Board on account of the operating deficit of Churchill Harbour for the calendar year 1941. There was a net decrease of \$17,009,565.15 in this class of expenditure as compared with the preceding year.

Non-Active Loans and Advances to Government Owned Enterprises amounting to \$758,089.44 were \$42,142.03 greater than the amount advanced in the previous fiscal year. Loans to the National Harbours Board comprised the full amount of this total.

WRITE-DOWN OF ASSETS

Assets written down to Consolidated Fund amounted to \$2,878,131.46, a decrease of \$2,000,500.74 compared with the corresponding charge in the preceding year.

Active assets written down amounted to \$280,536.41 as compared with \$1,023,252.02 in the previous year, and included a reduction of \$270,826.47 in Soldier and General Land Settlement Loans; the cancellation of Canadian Farm Loan Board Capital Stock amounting to \$9,613; and a small amount of \$96.94 written off Assisted Passage Loans under the Empire Settlement Scheme.

Non-active assets written down to Consolidated Fund during 1941-42 amounted to \$2,597,595.05 as compared with \$3,855,380.18 in the previous fiscal

year. Of this amount, \$2,539,187.21 was on account of a reduction in the Canadian National Railways Securities Trust Stock in consequence of certain line and property abandonments during the calendar year 1941; and \$58,407.84 represented the established losses in the seed grain and relief accounts administered by the Department of Mines and Resources. As these write-downs from Non-Active Accounts to Consolidated Fund effected a reduction in non-active assets and a corresponding increase in the accumulated deficits in Consolidated Fund, the result was to leave the net debt unchanged. The offsetting entries totalling \$2,597,595.05 are included in the revenues of the year as credits to Non-Active Accounts.

OTHER CHARGES

Other charges included in the year's expenditure totalled \$29,115,600.91, a decrease of \$8,523,950.18 as compared with the corresponding amount in the previous year. Of the total, \$25,000,000 was classed as other charges to Consolidated Fund and the balance of \$4,115,600.91 consisted of charges to Non-Active Accounts.

The amount of \$25,000,000 was charged to Consolidated Fund to provide an additional reserve for possible losses on the ultimate realization of Active Loans and Advances.

Other charges to Non-Active Accounts consisted of the amounts by which the Canadian National Railways Securities Trust Stock was increased during the year. Of the total, \$99,274.17 was on account of the capital gain on the redemption of Grand Trunk Railway 4 per cent sterling perpetual debenture stock. The balance of \$4,016,326.74 was the increase in the Dominion's equity in the Canadian National Railways due to the surplus earnings of the railway system during the calendar year 1941. Offsets to these two charges are included in Special Receipts.

CAPITAL EXPENDITURES

Expenditures charged to Capital Account during the fiscal year amounted to \$3,430,446.59, an increase of \$2,636.74 compared with those of the preceding fiscal period. Of the total, \$1,248,154.71 was for the construction and improvement of civil airways and airports; \$1,951,519.03 for dredging the St. Lawrence Ship Channel and the Montreal Harbour; and \$154,997.44 for the extension and improvement of control weirs in the St. Lawrence River. The balance consisted of \$71,258.23 for the construction of an icebreaker and service vessel, and \$4,517.18 for construction and improvements of the Hudson Bay Railway.

INCREASE IN NET DEBT

The total expenditures on all accounts during the financial year ended March 31, 1942, amounted to \$1,885,066,055.21, and the total revenues from all sources for the same period to \$1,488,536,342.97, resulting in an over-all deficit of \$396,529,712.24 on the year's operations, with an increase of equal amount in the net debt of the Dominion. The deficit in the preceding year was \$377,431,801.22.

NET DEBT

At the close of the fiscal year, the gross direct liability of the Dominion was \$6,648,823,424.36. Assets classified as active and including cash balances and loans and advances which were readily realizable or income producing to an amount of \$2,603,602,263.56 were treated as deductions from the gross debt, with the result that at the end of the year, a net direct debt of \$4,045,221,160.80

was recorded in the Public Accounts. Of this amount, \$1,457,943,772.11 consisted of capital disbursements for canals, railways, public buildings and river and harbour improvements, and of non-productive loans and advances to various enterprises. The balance of \$2,587,277,388.69 represented the accumulated deficits since Confederation charged to Consolidated Fund.

CONTINGENT LIABILITIES

In addition to the direct debt recorded in the Balance Sheet, the Dominion government, pursuant to Parliamentary authority, has assumed certain indirect liabilities.

Outstanding bonds and debenture stocks, guaranteed as to the payment of principal and interest, amounted to \$785,766,707.61 on March 31, 1942, and included guaranteed obligations of the Canadian National Railways, amounting to \$755,223,525.26; various harbour commissioners securities, amounting to \$21,143,182.35; and Canadian National (West Indies) Steamships, Limited bonds amounting to \$9,400,000. Perpetual railway debenture stock, guaranteed as to the payment of interest only, amounted on the same date to \$33,075,010.34. In all cases stocks and bonds payable optionally or solely in foreign currencies have been converted at par of exchange.

Guarantees assumed by the Dominion pursuant to the several relief acts at March 31, 1942, included bank advances *re* Province of Manitoba Savings Office, \$6,131,616.17; Province of British Columbia Treasury Bills, \$626,533.75; and Province of Manitoba Treasury Bills, \$4,805,722.62. Advances by Canadian chartered banks to the Government of Newfoundland, amounting to \$625,000 and carrying the guarantee of the Government of Canada, were paid off by the Government of Newfoundland during the year.

Under the authority of the Canadian Wheat Board Act, 1935, advances made by the several chartered banks to the Canadian Wheat Board were guaranteed by the Dominion. On March 31, 1942, the outstanding advances amounted to \$116,686,562.27. Pursuant to the same Act, the Dominion guaranteed the payment of any amount due to the Winnipeg Grain and Produce Clearing Association, Limited, by the Canadian Wheat Board on account of day to day margins. As accounts are closed out daily, no liability accrues from day to day.

Pursuant to the Bank of Canada Act, 1934, the Dominion guaranteed the chartered banks against loss with respect to deposits maintained with the Bank of Canada under section 27 of the Act. The total of such chartered bank deposits on March 31, 1942, was \$241,931,984.61.

Under the authority of the Seed Grain Loans Guarantee Act, 1938, a guarantee was given with respect to the principal and interest of seed grain loans made by chartered banks to municipalities in Alberta and Saskatchewan during the 1938 crop year. The amount of principal outstanding on which the guarantee was applicable was not determined at March 31, 1942. The maximum principal amount authorized to be guaranteed under the Act was \$14,500,000 for Saskatchewan and \$1,900,000 for Alberta.

Under the terms of the Home Improvement Loans Guarantee Act, 1937, certain approved lending institutions were guaranteed against loss on home improvement loans. The Dominion liability is limited to fifteen per cent of the aggregate loans made by each lending institution, but as the balance of the loans outstanding on March 31, 1942, had been reduced to approximately twelve per cent, the contingent liability of the Government is limited to the balance of the loans outstanding on March 31, 1942, \$6,162,007.54.

The Dominion also has accepted certain obligations under the Dominion Housing Act, 1935, and the National Housing Act, 1938. On contracts with

approved lending institutions, the Dominion agreed to assume a liability for a portion of the losses sustained by the lending institutions. Although not expressed in the form of a guarantee, these obligations constitute indeterminate contingent liabilities.

During the years 1940-41 and 1941-42 the Dominion guaranteed the repayment with interest of bank advances in connection with certain Government war contracts entered into by the Department of Munitions and Supply. At March 31, 1942, outstanding advances totalling \$1,700,356.56 were subject to guarantee.

During the year the Dominion, under authority of the War Measures Act, guaranteed the repayment with interest of bank advances not exceeding \$3,000,000 to the Canadian Red Cross Society. There were no advances subject to guarantee outstanding at March 31, 1942.

Pursuant to the Dominion-Provincial Taxation Agreements, the Provinces have been guaranteed receipts from gasoline taxes at amounts received in fiscal years ending nearest December 31, 1940, which constitutes an indeterminate contingent liability.

PART I

BALANCE SHEET
AND
REVENUE AND EXPENDITURE
STATEMENT

BALANCE SHEET,

ASSETS

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F	Loans and Advances:		
	Canadian Broadcasting Corporation....	503,398	77
	Canadian Farm Loan Board, Advances and Capital Stock.....	36,537,282	00
	Canadian National Railways Company	416,902,399	93
	Canadian National (West Indies) Steam- ships Limited.....	450,000	00
	Canadian Pacific Railway Company...	12,814,210	85
	Dominion and National Housing Acts..	16,254,094	98
	Foreign Governments.....	30,854,262	40
	Municipal Improvements Assistance Act	5,976,260	65
	National Harbours Board.....	85,416,649	63
	New Westminster Harbour Commission	274,537	23
	Provinces:		
	Housing Loans.....	130,500	00
	Unemployment Relief Acts Loans....	157,275,021	49
	Saskatchewan—Power Commission...	53,760	00
	Alberta—Subsidy Overpayment.....	468,750	00
	Soldier and General Land Settlement...	33,888,343	48
	Total Loans and Advances.....	797,799,471	41
	Less—Reserve for possible losses on ul- timate realization of Active Loans and Advances	50,000,000	00
		747,799,471	41
G	Province Debt Accounts.....	2,296,151	87
H	Unamortized Discount and Commission on Loans.....	55,575,167	35
I	Miscellaneous Current Accounts.....	263,517,816	39
	Total Active Assets.....	2,603,602,263	56
	Balance, being Net Debt, March 31,1942 (exclusive of interest accrued) repre- sented by:—		
J	Expenditures for Capital Purposes and Non-productive Loans and Advances.	1,457,943,772	11
K	Consolidated Fund.....	2,587,277,388	69
		4,045,221,160	80
		\$6,648,823,424	36

Certified Correct,

W. C. CLARK,
Deputy Minister of Finance.

MARCH 31, 1942

LIABILITIES

L Funded Debt and Treasury Bills Unmatured—		
Payable in Canada.....	5,390,813,428	00
Payable in London.....	15,450,865	42
Payable in New York.....	459,000,000	00
		<hr/>
		5,865,264,293 42
M Floating Debt—		
Funded Debt Matured and Outstanding.	6,054,051	45
Stock Payable on Demand.....	16,527	40
Interest Due and Outstanding.....	9,304,137	97
Outstanding Cheques.....	44,366,675	78
		<hr/>
		59,741,392 60
N Bank Circulation Redemption Fund.....		4,478,046 45
O Post Office Account—Money Orders, Postal Notes, etc., Outstanding		6,900,357 60
P Post Office Savings Bank Deposits.....		21,671,413 38
Q Government Annuities.....		172,911,035 00
R Insurance and Superannuation Funds.....		157,932,226 25
S Trust Funds.....		35,008,519 46
T Contingent and Special Funds.....		312,996,171 56
U Province Debt Accounts.....		11,919,968 64

 \$6,648,823,424 36

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

COMMENTS ON THE BALANCE SHEET

The Balance Sheet follows the pattern adopted in 1920. It shows on the assets side accounts which have been classified as active assets and which, according to the 1920 definition, represent cash or investments which are interest producing or have a readily realizable cash value. Revenue in arrears and stores, with the exception of the stores inventories of the Department of Public Printing and Stationery and the Department of Transport and the metals advance accounts of the Royal Canadian Mint and Dominion of Canada Assay Office, are not included in the assets.

Liabilities include only those that have been ascertained and brought into the accounts. Items, such as interest accrued but not due, and current obligations incurred for services and supplies not paid for at the end of the fiscal year are not included. Indirect liabilities under government guarantees also are not reflected in the Balance Sheet, but are set out in a special schedule in the Public Accounts.

The excess of liabilities over active assets, designated the net debt, is analysed in a statement appended to the Balance Sheet, and is apportioned to non-active assets, which include capital expenditures and non-productive investments, and to accumulated deficits in Consolidated Fund.

Obligations payable in other than Canadian currency, such as those portions of the Funded and Floating Debt payable in London and New York are recorded in the Balance Sheet at par of exchange. Similarly assets held in London and New York such as cash, special deposits, and bond holding account investments are shown at \$4.86 $\frac{2}{3}$ to the pound sterling and \$1 to the American dollar.

- A Cash represents the balance of the receipts of public moneys applicable to the fiscal year 1941-42 in the several bank accounts in Canada, London and New York in the name of the Receiver General of Canada. Section 3 of the Consolidated Revenue and Audit Act, 1931, requires that all public moneys shall be paid to the credit of the account of the Receiver General of Canada.
- B Special deposits consist of balances in the hands of certain fiscal agents of the Government for the redemption of bonds and the payment of interest on the public debt, etc.
- C Bank of Canada Capital Stock represents the investment of the Government as the sole owner of the capital stock of the bank which was acquired under authority of the Bank of Canada Act, Amendment Act, 1938. Of this amount, \$5,000,000 represents the par value of 100,000 shares of capital stock, and the balance of \$920,000 premium paid in respect to the acquisition in 1938 of shares held by the public. Returns from this investment for the year consisted of \$225,000 from dividends credited to Interest on Investments, and \$3,725,590.53, being the Government's share, of the net surplus for the year credited to Casual Revenue.
- D This account represents the investment of the Dominion Government in the Central Mortgage Bank. Under the provision of Section 13 of the Central Mortgage Bank Act, 1939, the Minister of Finance was empowered to subscribe for one hundred thousand shares of the capital stock of the bank at par at such times and in such amounts as the Governor in Council might determine. At March 31, 1942, the Governor in Council had authorized the payment by the Minister of two dollars and fifty cents in respect of each one hundred dollar share. Due to the state of war and to the uncertainties regarding the effects which the war might have on its proposed business, the bank remained inoperative during 1941. The net surplus of the year, consisting of earnings on the investment of the capital subscriptions, less expenses incurred, amounted to \$3,579.60 and was credited to Casual Revenue.
- E The amount of \$725,000,000 represents the advances to March 31, 1942, to the Foreign Exchange Control Board, under the provisions of the Exchange Fund Order 1940 and Section 3 of the War Appropriation Act, 1941, to increase the funds at the credit of the special account established pursuant to Section 4 of the Exchange Fund Act, 1935. To provide the Board with capital to carry on its foreign exchange transactions during 1941-42, an amount of \$400,000,000 was advanced under the provisions of Section 3 of the War Appropriation Act, 1941, which provides that the Government of Canada may charge to unappropriated moneys in Consolidated Revenue Fund any costs incurred temporarily in acting as the agent of the government of any British or foreign country allied with

His Majesty. Interest to Nov. 1, 1941, at 1 per cent on \$650,000,000 and to March 31, 1942, at the average quarterly tender rate for Treasury Bills on \$75,000,000 was received during the year and credited to Interest on Investments.

F Active loans and advances outstanding totalled \$797,799,471.41 at March 31, 1942, an increase of \$246,380,611.01 compared with the corresponding amount at the close of the previous year. Against this total was offset an amount of \$50,000,000, of which \$25,000,000 was set up in 1940-41 and a further \$25,000,000 in 1941-42 as a reserve for possible losses on the ultimate realization of these active loans and advances, and which appear as a charge to Consolidated Fund in the expenditures of those years. The following is a summary of the transactions relating to these accounts, classified by departments:

Department	Loans outstanding April 1, 1941	Advances during year	Repayments and other credits during year	Loans outstanding March 31, 1942
Finance	246,519,410 90	4,134,458 86	3,103,938 24	247,549,931 52
Soldier Settlement of Canada	35,679,622 80	3,055,218 15	4,846,497 47	33,888,343 48
Transport	269,219,826 70	263,845,127 13	16,703,757 42	516,361,196 41
	551,418,860 40	271,034,804 14	24,654,193 13	797,799,471 41
Less Reserve for possible losses	25,000,000 00			50,000,000 00
	<u>\$526,418,860 40</u>	<u>\$271,034,804 14</u>	<u>\$ 24,654,193 13</u>	<u>\$747,799,471 41</u>

Details of the transactions relating to the various accounts are shown in the related departmental sections of this report.

GU The amount of \$2,296,151.87, included as an asset in the Balance Sheet, consists of amounts due to the Dominion on debt account by the provinces of Nova Scotia, Prince Edward Island and Quebec.

The amount of \$11,919,968.64 included as a liability represents the amount of the debt allowances granted to the provinces as a result of the financial settlements of Confederation, and on which interest at 5 per cent per annum is paid.

H This debit balance represents the unamortized amount of discounts and commissions and redemption bonuses on loans issued and premiums on loans converted since April 1, 1930. During the fiscal year, premiums, discounts and commissions on loans issued during 1941-42, amounting to \$22,388,799.03 were debited to the account, and sums totalling \$11,425,107.75, of which \$10,981,591.08 represented the annual amortization charges applicable to 1941-42 and \$443,516.67 interest charges on the Public Debt, were credited to the account and charged to the expenditures of the year.

I Miscellaneous Current Accounts include advances for working capital, the bond holding investments, sundry stores accounts, and the balances due by the governments of the United Kingdom and allied countries for which the Government of Canada has acted as agent.

The balance of \$16,771,980.54 at the debit of the Canadian National Railways Working Capital Account at March 31, 1942, represents the former balances of the open and stores accounts of the Canadian Government Railways, which were transferred to this account under the terms of the Canadian National Railways Capital Revision Act, 1937.

The balances of the several stores and purchase accounts at March 31, 1942, totalled \$6,169,543.67, and included:

Royal Canadian Mint Advance Accounts.....	3,697,855 48
Dominion of Canada Assay Office—Gold and Silver Purchase Account.....	133,957 43
King's Printer Advance Account.....	1,116,383 74
Department of Transport—Stores Account.....	1,221,347 02
	<u>\$6,169,543 67</u>

The Unemployment Insurance Investment Fund representing the investments of the Unemployment Insurance Commission in obligations of, or guaranteed by the Government of Canada totalled \$38,750,969.28 at March 31, 1942, of which \$38,524,333.28 was the book value of bonds purchased at a cost of \$38,543,677.51 and having a par value of \$38,290,000, and \$226,636 represented interest accrued thereon to March 31, 1942. This account is an offset to the Dominion's gross recorded liability to the Fund included in Superannuation and Insurance Funds.

Seed Grain and Relief Mines and Resources Account represents advances in connection with the distribution of seed grain and relief to needy settlers in Western Canada. During 1941-42 receipts amounting to \$10,126.38 and write-offs to Consolidated Fund amounting to \$58,407.84 were credited to the account. Of the total of \$2,758,500.39 in the account at March 31, 1942, \$2,412,560.72 was classed as realizable and carried as an active asset. The balance of \$345,939.67 represented the amount recorded as a non-active asset. The balance of interest outstanding at March 21, 1942, was reported to be \$3,479,139.53.

Under the authority of the several War Appropriation Acts, advances were made by the Department of Munitions and Supply to certain companies. These are treated in the Balance Sheet as Miscellaneous Current Accounts. As at March 31, 1942, the following amounts were outstanding: Government Owned Commodity Companies, \$18,444,443.69 including Fairmont Company Limited, \$11,955,394.73; Melbourne Merchandising Company Limited, \$5,531,319.10 and Plateau Company Limited, \$957,729.86; Government Owned Companies, \$6,818,483.04 including Atlas Plant Extension Limited, \$6,533,483.04 and Research Enterprises Limited, \$285,000; and Private Companies, \$9,285,391.15 including Algoma Steel Corporation Limited, \$4,000,000; John Bertram and Sons, Company, Limited, \$311,723.41; Dominion Steel and Coal Corporation Limited, \$1,576,967.74; English Electric Company of Canada Limited, \$776,700; Steel Company of Canada Limited, \$2,545,000 and A. C. Wickman (Canada) Limited, \$75,000.

National Defence Advance Accounts represent recoverable costs arising from the Government of Canada acting as agent of certain British or foreign countries allied with His Majesty for any purpose which in the opinion of the Governor in Council would aid in the prosecution of the war. Section 3 of the War Appropriation Act, 1941, provides that such recoverable items may be charged for the time being to unappropriated moneys in the Consolidated Revenue Fund. The total of \$121,279,575.97 at March 31, 1942 represents the balances due the Dominion with respect to the recruitment and training of nationals of such governments, the procurement of munitions and supplies, the operation of internment camps, the British Commonwealth Air Training Plan, the repair and equipment of ships, and sundry other services. At the close of the financial year the following balances were shown, as due to the Dominion: United Kingdom, \$118,428,199.57; Australia, \$2,174,874.12; India, \$1,061.33; Newfoundland, \$30,445.15; New Zealand, \$446,419.97; South Africa, \$2,987.61; Belgium, \$2,049.77; Czechoslovakia, \$576.79; France, \$48,162.90; Greece, \$39.27; The Netherlands, \$54,332.54; Norway, \$61,806.03; Poland, \$3,775.21; Russia, \$2,184.06; United States, \$22,661.65.

J Expenditures for Capital Purposes and Non-Active Assets amounted to \$1,457,943,772.11 on March 31, 1942, an increase of \$4,652,090.39 over the corresponding amount on March 31, 1941. Capital expenditures accounted for \$996,631,315.86 of the total and included the following: canals, \$240,303,982.33; railways, \$425,957,325.54; public buildings, harbours and river improvements, \$307,901,875.66; military property and stores, \$12,572,184.65; and territorial accounts, \$9,895,947.68.

Loans and advances non-active amounted to \$461,312,456.25 on March 31, 1942, and included loans to railways, \$348,074,454.57; loans to Canadian National Steamships Limited, \$13,871,969.33; advances to National Harbours Board, \$69,184,366; Soldier and General Land Settlement Loans, \$16,525,917.49; Seed Grain Loans Guarantee Acts advances, \$9,773,449.24; and miscellaneous investments, \$3,882,299.62.

K The balance of \$2,587,277,388.69 at the debit of the Consolidated Fund at March 31, 1942, represents the accumulated deficits since Confederation. This amount is \$391,877,621.85 greater than the corresponding balance at the close of the previous fiscal year.

L The liability of the Dominion in respect to unmatured Dominion loans amounted to \$5,865,264,293.42 at March 31, 1942, an increase of \$1,493,273,701.52 over the corresponding liability of \$4,371,990,591.90 at March 31, 1941. The increase is accounted for as follows:

New Bonds and treasury bills issued during fiscal year.....	\$3,368,286,355 07
Less: Bonds and treasury bills redeemed or converted 1,872,121,153 55	
Matured and unredeemed bonds transferred to	
Floating Debt.....	2,891,500 00
	<hr/>
	1,875,012,653 55
Net increase in the Funded Debt.....	<hr/>
	\$1,493,273,701 52

As of March 31, 1942, unmatured funded debt, including treasury bills outstanding, was payable as follows:

Canada	\$5,390,813,428 00
London	15,450,865 42
New York	459,000,000 00
Total	<hr/>
	\$5,865,264,293 42

M Floating debt consists of obligations of the Dominion payable on demand and includes unrepresented matured bonds, stock payable on demand, interest due and outstanding, and cheques outstanding. Funded debt matured and outstanding amounted to \$6,054,051.45 on March 31, 1942, and consisted of debt payable in Canada, \$4,531,230.19; London, \$1,372,621.26; New York, \$14,200; and Canada and New York, \$136,000. Stock payable on demand included outstanding Dominion B Stock totalling \$4,700 and the capitalized Compensation to Seigneurs amounting to \$11,827.40. Interest due and outstanding totalled \$9,304,137.97 and included interest unpaid on domestic loans, \$8,191,031.69, on New York loans, \$935,052.25, on London loans, \$92,473.45, and on loans payable in Canada and New York, \$30,675. Outstanding cheques amounting to \$44,366,675.78 included \$44,167,153.96 representing the Dominion's liability on account of the Comptroller of the Treasury cheques issued in 1940-41 and 1941-42 which were outstanding when the accounts of the year were closed; the balance represents the liability for uncashed cheques issued prior to 1940-41.

N The Bank Circulation Redemption Fund consists of amounts deposited with the Minister of Finance by the chartered banks to secure the redemption of their outstanding notes, as required by Section 64 of the Bank Act, 1934. Interest at 3 per cent amounting to \$144,254.01 was allowed on the balances in the fund and was charged to Interest on Public Debt.

O The Post Office Account is a composite balance representing the difference between the values of the recorded assets and liabilities of the Post Office Department. The assets include cash in the hands of postmasters, and accounts receivable from other countries in respect to money orders, parcel post and transit charges. The liabilities include accounts payable for parcel post and transit charges on mail for delivery abroad and the department's liability for money orders and postal notes outstanding. The balance of \$6,900,357.60 at March 31, 1942, was \$3,302,455.13 greater than the corresponding balance of \$3,597,902.47 at March 31, 1941.

P The amount of \$21,671,413.38 represents the liability of the Dominion on March 31, 1942, on account of deposits in the Post Office Savings Banks, received under the provisions of Part I of the Savings Banks Act, which empowers the Postmaster General, with the consent of the Governor in Council, to authorize postmasters to receive deposits for remittance to the office of the central savings bank. During 1941-42 interest at 2 per cent, amounting to \$423,762.13, was credited to the account and charged to Interest on the Public Debt.

Gold held at March 31, 1942, as required by Section 47 of the Savings Banks Act amounted to \$2,167,141.34 on the basis of \$20-671834 per fine ounce.

Q The balance at the credit of Government Annuities Account on March 31, 1942, was \$172,911,035, an increase of \$16,857,963 over the balance of \$156,053,072 on March 31, 1941. Disbursements during the year, including annuity and commuted value payments and premiums returned, amounted to \$9,816,820.52. Receipts amounted to \$26,674,783.52, and included premiums on immediate and deferred annuities amounting to \$19,683,870.32, interest at 4 per cent amounting to \$6,373,931.62 and an amount of \$616,981.58 transferred to the account to maintain the reserve. The actuarial value of outstanding contracts on March 31, 1942, was reported to be \$172,911,035.

R The balance at the credit of Insurance and Superannuation Funds represents the recorded liability of the Dominion to the several superannuation, retirement and insurance funds.

No contributions are now being made to the Civil Service Superannuation and Retirement Act, 1893 (Fund No. 2). Superannuation allowances paid during the year amounted to \$25,250.92.

The balance at the credit of the Civil Service Superannuation Act, 1924 (Fund No. 5) increased \$2,212,782 during the fiscal year. The amount contributed by employees was \$2,700,766.17, that by the Government, \$2,347,225.53; and interest was added to the amount of \$2,408,586.63. Payments of annuities amounted to \$5,031,627.48, gratuities to \$33,341.12, and withdrawal allowances to \$178,827.73.

The balance at the credit of the Civil Service Retirement Fund increased \$1,917,676.32 during the fiscal year, the increase being much larger than usual due to the inclusion of many temporary employees as contributors under the authority of P.C. 1/1569 of April 19, 1940. Abatements from salaries amounted to \$2,274,623.71; interest was added to the amount of \$442,766.29 and disbursements were \$799,713.68.

The amount at the credit of the Royal Canadian Mounted Police Dependents' Pension Fund was \$226,689.47 at March 31, 1942, an increase of \$71,374.43 over the corresponding amount at March 31, 1941. Abatements from pay and pensions totalling \$78,944.17 and interest amounting to \$7,349.06 were credited, and pensions of \$224.76 and withdrawals amounting to \$14,694.04 were debited to the account during the year.

The Civil Service Insurance Fund increased by \$925,504.52 during the fiscal year. Receipts consisted of premium revenue amounting to \$389,901.70 and interest credited to the fund amounting to \$854,006.27. Disbursements included payments of death claims, \$285,517.46; payments of cash surrender values, \$32,188.56 and refund of overpaid premiums, \$697.43.

The balance at the credit of the Returned Soldiers' Insurance Fund at March 31, 1942, was \$890,049.26 greater than at March 31, 1941. Receipts totalled \$1,623,133.41 and included net premium income, \$836,377.49 and interest at 4 per cent, \$786,755.92. Disbursements totalled \$733,084.15 and included annuities, \$237,717.05; death benefits, \$233,400.94; disability claims, \$19,646.48; and payments on surrendered policies, \$242,319.68.

The balance of \$43,964,246.68 at the credit of the Unemployment Insurance Fund represents the recorded liability of the Dominion to the Fund. Of this total, \$38,750,969.28 representing investments in and accrued interest, to March 31, 1942, on obligations of or guaranteed by the Government of Canada, is included as an asset in the Dominion Balance Sheet under Miscellaneous Current Accounts.

The amount contributed by employees and employers during 1941-42 was \$36,435,609.05, that by the Government \$7,287,121.81 and interest received from investments was \$61,976.97.

Benefit payments commenced in February 1942, and at March 31, 1942, a total of \$27,752.92 had been paid out.

S This amount represents the liability of the Dominion on account of moneys received in trust for others.

The Common School Funds—Ontario and Quebec—is a liability of the Dominion to Quebec and Ontario, and was one of the several trust funds held at the time of Confederation as the joint property of Upper and Lower Canada. The fund, which amounted to \$2,677,770.70 at March 31, 1942, consists of the proceeds arising from the sale of land in the Huron District set apart by c. 200, 1849, for the support and maintenance of common schools. Interest at 5 per cent is paid annually and is apportioned to the provinces according to their respective populations. In 1941-42, the interest payments to Quebec and Ontario were \$61,018.31 and \$72,852.09, respectively.

Contractors Securities Account, which amounted to \$6,851,353.78 at March 31, 1942, records the cash deposits received from contractors as security for the satisfactory execution of contracts, as required under Section 16 of the Public Works Act, etc. Interest at 2 per cent per annum, amounting in 1941-42 to \$116,110.48, is added to the deposits and paid to the contractor at the time the deposit is released.

The Indian Funds account is administered by the Indian Affairs Branch of the Department of Mines and Resources under the provisions of Section 92 of the Indian Act. At March 31, 1942, the balance of the fund was \$14,642,289.97, an increase of \$226,474.03 over the corresponding balance at March 31, 1941, and was comprised of capitalization of annuities made prior to Confederation and deposits of amounts received from sales of lands and timber and from other sources. Interest amounting to \$731,604.93 was credited to the Fund during the year, being 5 per cent on \$13,334,402.39 and 6 per cent on \$1,081,413.55, the balances of the funds at March 31, 1941.

The Pilots' Pension Funds accounts record the liability of the Dominion to the several funds. The gross liability at March 31, 1942, amounting to \$790,783.85, was offset by amounts totalling \$773,800, representing Dominion, Provincial and Dominion guaranteed bonds held as investments for these funds by the Department of Finance. The net liability at March 31, 1942, in respect to the several funds was as follows: Halifax, \$6,819.95; Sydney, \$1,727.75; Saint John, \$2,404.37; Montreal, \$4,991.60; British Columbia, \$1,040.18.

The balance at the credit of the Government Officers' Guarantee Fund was \$200,066.80 at March 31, 1942, an increase of \$40,329.29 over the corresponding balance at the close of the previous year. Receipts credited to the fund during the year totalled \$40,561.43 and included premiums at the rate of 20 cents per \$100 of security amounting to \$35,936.39 and interest at 2½ per cent amounting to \$4,625.04. Amounts totalling \$232.14 representing overpaid premiums were refunded during the year.

The credit balance of the Royal Canadian Mounted Police Provincial Pension Trust Fund at March 31, 1942, was \$185,830.69, a decrease of \$8,033.94 compared with the balance at March 31, 1941. Receipts included amounts received under provincial agreements, \$4,365.26 and contributions \$3,210.47. Disbursements included withdrawals \$1,945.17; and \$13,664.50 contributions of members of the Force transferred on their retirement to Casual Revenue.

Army and Air Deferred Pay Balances, which amounted to \$5,950,009 and \$762,765.89 respectively on March 31, 1942, consist of deductions of a portion of the pay of members of the forces in accordance with Financial Regulations and Instructions. These amounts which were charged to allotments from the War Appropriation are held in trust to be available upon demobilization without further appropriation by Parliament.

T Contingent and Special Funds accounts are subject to the provisions of subsection 2 of Section 22 of the Consolidated Revenue and Audit Act, 1931, which provides that issues out of the Consolidated Revenue Fund of public moneys received for special purposes or in trust may be made for the express purposes for which such moneys were received, without further parliamentary authority than the provisions of the subsection, but subject to the directions of any particular statute dealing with such special or trust moneys. The amounts involved arise out of the administration of the Winding-up Act, the Bank Act, etc., and financial transactions occasioned by the war.

EXPENDITURES AND REVENUES AND OTHER CHARGES

EXPENDITURES AND CHARGES

A Ordinary	444,777,695	70
B Special	63,975,772	56
C War	1,339,674,152	42
D Government Owned Enterprises—Net Income Deficits....	456,166	13
E Write-Down of Active and Non-Active Assets to Consolidated Fund	2,878,131	46
F Other Charges to Consolidated Fund.....	25,000,000	00
<hr/>		
Total Expenditures and Charges carried to Consolidated Fund	1,876,761,918	27
G Government Owned Enterprises—Loans and Advances Non-Active	758,089	44
H Other Charges—Non-Active Accounts.....	4,115,600	91
I Capital Accounts.....	3,430,446	59
<hr/>		
Total Expenditures and Charges.....	\$1,885,066,055	21
<hr/>		

Certified correct,

W. C. CLARK,
Deputy Minister of Finance.

COMMENTS ON REVENUE AND EXPENDITURE STATEMENT

- A** Ordinary expenditures include interest and other charges for floating and servicing the public debt, civil and military pensions, subsidies and special grants to the provinces for vacating the personal income and corporation tax fields for the duration of the war and the general administrative costs of government.
- B** Special expenditures include relief and other projects, \$8,500,358.67; administrative costs of the Prairie Farm Assistance Act, \$422,459.67; advances to the Prairie Farm Emergency Fund, \$11,848,362.14; Wheat Acreage reduction payments, \$30,633,763.96; and provision for deficits of the Canadian Wheat Board, \$12,570,828.12.
- C** Included under this heading are all expenditures charged to the War Appropriation under the authority of the War Appropriation Act, 1941, and the Supplementary 1941 War Appropriation Act.
- D** Net income deficits for the calendar year 1941 were due to operating losses of the Prince Edward Island Car Ferry and Terminals and the National Harbours Board.
- E** Active assets written down to Consolidated Fund amounted to \$280,536.41. Non-active assets similarly written down amounted to \$2,597,595.05. Write-downs of non-active assets do not alter the net debt.
- F** The \$25,000,000 listed as Other Charges to Consolidated Fund is a further amount set aside to provide a reserve for possible losses on the ultimate realization of active loans and advances. This reserve now stands at \$50,000,000.
- G** Advances to the National Harbours Board comprised the full amount paid in respect to non-active loans and advances to Government-owned enterprises.
- H** Other charges to Non-Active Accounts include \$99,274.17, being the increase in the Canadian National Railways Securities Trust Stock due to the capital gain on the

AND CREDITS FOR THE YEAR ENDED MARCH 31, 1942

REVENUES AND CREDITS

J Ordinary	1,463,824,202 71
K Special	21,060,093 71
Total Revenues and Credits carried to Consolidated Fund..	1,484,884,296 42
L Credits to Non-Active Accounts.....	2,630,393 52
M Capital Accounts—Refunds.....	1,021,653 03
Total Revenues and Credits.....	1,488,536,342 97
Net Increase in Debt—	
Consolidated Fund (excess of charges over credits).....	391,877,621 85
Capital and Non-Active Accounts (excess of charges over credits).....	4,652,090 39
	396,529,712 24
	<u>\$1,885,066,055 21</u>

The above accounts have been examined and audited under my direction in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the audit notes appended to the departmental revenue and expenditure statements, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

redemption of Grand Trunk Railway 4 per cent perpetual debenture stock, and \$4,016,326.74, representing an increase in the Dominion's equity in the Canadian National Railways due to the surplus earnings of the railway during the calendar year 1941.

- I** Expenditures on Capital Account include payments in connection with the construction and improvement of civil airways and airports, the dredging of the St. Lawrence Ship Channel and the Montreal Harbour, and the extension and improvement of control weirs in the St. Lawrence river.
- J** Ordinary revenues include customs, excise, income and sales taxes, interests on investments, and the revenue from the Post Office and other services rendered by government departments.
- K** Special receipts and credits include the surplus earnings of the Canadian National Railways during the calendar year 1941 amounting to \$4,016,326.74; a capital gain of \$99,274.17 on the redemption of Grand Trunk Railway 4 per cent perpetual debenture stock; special and war donations totalling \$522.90 and \$458,583.82 respectively; war revenue, \$3,183,466.02; refunds of previous years' war expenditures, \$13,200,180.08; and refunds of previous years' special expenditures, \$101,739.98.
- L** Credits to non-active accounts include \$2,597,595.05 taken into the books as an offset to an equivalent amount included in expenditures on account of non-active assets written down to Consolidated Fund. The balance of \$32,798.47 consisted of a reduction in the indebtedness of the National Harbours Board.
- M** This amount includes \$983,806.08 insurance on moneys received on account of the loss of the Prince Edward Island Car Ferry. The balance consists of refunds of previous years' expenditures on Capital Account.

PART II

**DEPARTMENTAL
REVENUE AND EXPENDITURE
STATEMENTS**

SUMMARIZED STATEMENT OF REVENUES AND CREDITS BY

Department	Ordinary Revenue	Special Receipts
Agriculture.....	688,080 88	1,600,495 26
Auditor General's Office.....	40 34	9,137 00
Chief Electoral Officer.....	1,000 75	.....
Civil Service Commission.....	30 00	.....
External Affairs.....	640,781 83	1,158 70
Finance.....	44,122,002 58	4,574,759 43
Fisheries.....	416,268 39	39,087 85
Insurance.....	168,693 22	.....
Justice.....	212,193 13	.....
Labour.....	1,595 60	100,567 84
Legislation.....	13,871 73	.....
Mines and Resources.....	1,026,935 82	38,120 71
Munitions and Supply.....	1,154 75	1,016,301 85
National Defence.....	1,911,356 78	13,659,812 88
National Revenue.....	1,358,914,164 29	.....
National War Services.....	19,267 91	1,209 20
Pensions and National Health.....	656,215 50	.....
Post Office.....	46,032,348 75	.....
Public Archives.....	2,049 14	.....
Public Printing and Stationery.....	401,351 16	.....
Public Works.....	820,195 82	.....
Royal Canadian Mounted Police.....	1,046,784 90	.....
Secretary of State.....	577,681 90	1,090 60
Soldier Settlement of Canada.....	1,809 87	.....
Trade and Commerce.....	3,957,583 97	215 55
Transport.....	2,190,743 70	18,136 84
Total.....	\$1,463,824,202 71	\$21,060,093 71

DEPARTMENTS FOR THE YEAR ENDED MARCH 31, 1942

Total Consolidated Fund Revenue	Credits to Non-Active Accounts	Refunds on Capital Account	Total Revenues and Credits
2,288,576 14			2,288,576 14
9,177 34			9,177 34
1,000 75			1,000 75
30 00			30 00
641,940 53			641,940 53
48,696,762 01	2,539,187 21		51,235,949 22
455,356 24			455,356 24
168,693 22			168,693 22
212,193 13			212,193 13
102,163 44			102,163 44
13,871 73			13,871 73
1,065,056 53	58,407 84		1,123,464 37
1,017,456 60		13,208 83	1,030,665 43
15,571,169 66			15,571,169 66
1,358,914,164 29			1,358,914,164 29
20,477 11			20,477 11
656,215 50			656,215 50
46,032,348 75			46,032,348 75
2,049 14			2,049 14
401,351 16			401,351 16
820,195 82			820,195 82
1,046,784 90			1,046,784 90
578,772 50			578,772 50
1,809 87			1,809 87
3,957,799 52			3,957,799 52
2,208,880 54	32,798 47	1,008,444 20	3,250,123 21
\$1,484,884,296 42	\$2,630,393 52	\$1,021,653 03	\$1,488,536,342 97

SUMMARIZED STATEMENT OF APPROPRIATIONS AND EXPENDITURES

Department	Appropriations		
	Voted and Statutory	Ordinary	Special
Agriculture.....	60,568,397 66	8,429,787 86	47,013,023 48
Auditor General's Office.....	471,060 00	456,906 46	
Chief Electoral Officer.....	282,699 70	281,541 34	
Civil Service Commission.....	425,899 96	399,038 19	
External Affairs.....	1,094,297 34	995,809 42	
Finance.....	304,786,789 59	248,519,006 74	17,952 32
Fisheries.....	2,229,439 60	1,679,071 55	25,287 14
Governor General and Lieutenant Governors...	233,446 48	225,925 25	
Insurance.....	181,970 00	180,924 28	
Justice.....	5,744,539 26	5,443,664 65	
Labour.....	17,237,773 24	11,051,126 96	2,132,505 90
Legislation.....	2,079,783 04	1,951,264 55	
Mines and Resources.....	11,974,136 86	10,710,234 94	425,969 81
Munitions and Supply.....	12,000 00	12,000 00	
National Defence.....	366,891 36	265,447 59	
National Revenue.....	13,809,573 00	13,427,996 38	
National War Services.....	726,576 67	682,058 29	
Pensions and National Health.....	57,183,940 42	54,664,391 88	
Post Office.....	42,877,906 31	41,501,869 04	
Prime Minister's Office.....	68,499 92	56,680 14	
Privy Council Office.....	61,000 00	54,104 79	
Public Archives.....	142,970 00	123,152 33	
Public Printing and Stationery.....	198,965 77	194,633 45	
Public Works.....	14,380,121 62	11,937,004 94	1,150,473 02
Royal Canadian Mounted Police.....	6,141,549 74	5,984,663 60	
Secretary of State.....	862,846 76	822,692 02	
Soldier Settlement of Canada.....	869,291 47	564,368 81	
Trade and Commerce.....	22,980,392 13	8,724,664 08	12,913,582 12
Transport.....	22,455,454 79	15,437,666 17	286,978 77
War—All Departments.....	1,372,708,425 35		
Total Expenditures.....	1,963,156,638 04	444,777,695 70	63,975,772 56
Loans and Investments—			
Finance.....	4,134,458 86	4,134,458 86	
Soldier Settlement of Canada.....	3,060,816 37	3,055,218 15	
Transport.....	54,219,256 59	54,093,394 02	
Transport—War.....	18,151,726 00		
Transport—United Kingdom Financing....	191,602,582 22		
Total—Loans and Investments.....	271,168,840 04	61,283,071 03	
Misc. Current Accts.—			
Finance.....	10,000 00		
Munitions and Supply.....	24,657,525 04		
Total—Misc. Current Accts.....	24,667,525 04		
War Appropriation—unallotted balance.....	69,186,506 35		
Total.....	\$2,328,179,509 47	\$ 506,060,766 73	\$ 63,975,772 56

BY DEPARTMENTS FOR THE YEAR ENDED MARCH 31, 1942

Expenditures					Lapsed
War	Government Owned Enterprises	Capital Accounts	Write Down of Assets and Other Charges	Total	
				55,442,811 34	5,125,586 32
				456,906 46	14,153 54
				281,541 34	1,158 36
				399,038 19	26,861 77
				995,809 42	98,487 92
			31,664,401 12	280,201,360 18	24,585,429 41
				1,704,358 69	525,080 91
				225,925 25	7,521 23
				180,924 28	1,045 72
				5,443,664 65	300,874 61
				13,183,632 86	4,054,140 38
				1,951,264 55	128,518 49
			58,504 78	11,204,709 53	769,427 33
				12,000 00	
				265,447 59	101,443 77
				13,427,996 38	381,576 62
				682,058 29	44,518 38
				54,664,391 88	2,519,548 54
				41,501,869 04	1,376,037 27
				56,680 14	11,819 78
				54,104,79	6,895 21
				123,152 33	19,817 67
				194,633 45	4,332 32
				13,087,477 96	1,292,643 66
				5,984,663 60	156,886 14
				822,692 02	40,154 74
			270,826 47	835,195 28	34,096 19
				21,638,246 20	1,342,145 93
	1,214,255 57	3,430,446 59		20,369,347 10	2,086,107 69
1,339,674,152 42				1,339,674,152 42	33,034,272 93
1,339,674,152 42	1,214,255 57	3,430,446 59	31,993,732 37	1,885,066,055 21	78,090,582 83
				4,134,458 86	
				3,055,218 15	5,598 22
				54,093,394 02	125,862 57
18,149,150 89				18,149,150 89	2,575 11
191,602,582 22				191,602,582 22	
209,751,733 11				271,034,804 14	134,035 90
10,000 00				10,000 00	
24,657,525 04				24,657,525 04	
24,667,525 04				24,667,525 04	
					69,186,506 35
\$1,574,093,410 57	\$ 1,214,255 57	\$ 3,430,446 59	\$ 31,993,732 37	\$ 2,180,768,384 39	\$ 147,411,125 08

DEPARTMENT OF AGRICULTURE

REVENUES

	Summary	1941-42	1940-41
Ordinary Revenue—			
Casual Revenue.....		686,820 88	664,490 32
Fines and Forfeitures.....		1,260 00	1,975 00
		<i>688,080 88</i>	<i>666,465 32</i>
Special Revenue.....		1,920 74	4,654 01
		<u>\$ 690,001 62</u>	<u>\$ 671,119 33</u>

Details

Casual Revenue—

A Experimental Farms: Ottawa, \$40,024.44; Kentville, N.S., \$8,585.61; Nappan, N.S., \$12,373.43; Charlottetown, P.E.I., \$3,283.56; Summerside, P.E.I., \$3,591.11; Fredericton, N.B., \$7,467.56; Ste. Anne de la Pocatiere, Que., \$9,439.58; Normandin, Que., \$5,530.03; Ste. Clothilde, Que., \$1,945.59; Lennoxville, Que., \$11,405.11; L'Assomption, Que., \$4,625.62; Kapuskasing, Ont., \$11,812.96; Harrow, Ont., \$13,902.66; Morden, Man., \$7,906.97; Brandon, Man., \$12,297.86; Indian Head, Sask., \$10,419.22; Indian Head, Sask., Forest Nursery Station, \$2,947.62; Sutherland, Sask., Forest Nursery Station, \$291.67; Rosthern, Sask., \$280.97; Scott, Sask., \$5,463.98; Melfort, Sask., \$3,045; Swift Current, Sask., \$9,934.99; Lethbridge, Alta., \$11,139.14; Lacombe, Alta., \$8,770.27; Manyberries, Alta., \$168.45; Beaverlodge, Alta., \$1,333.57; Fort Vermilion, Alta., \$824.72; Windermere, B.C., \$12,605; Summerland, B.C., \$6,993.54; Agassiz, B.C., \$12,049.23; Sidney, B.C., \$2,501.25; Smithers, B.C., \$1,140.64; Prince George, B.C., \$1,661.46.....	245,762 81
B Prairie Farm Rehabilitation: Sales of produce, \$24,340.34; sales of live stock, \$2,064.55; sales of equipment and supplies, \$874.56; community pasture fees, \$66,537.06; rental of equipment, \$787.81; water rates, \$4,250.07; miscellaneous, \$1,071.83.....	99,926 22
C Inspection Fees: Fruit car grading and inspection, \$119,728.52; animal inspections, \$9,091.92; egg inspections, \$1,377.72; dressed poultry inspections, \$856.23; fur grading and inspection, \$6,458.25; field crop inspection, \$20,816.44; seed testing, inspection, etc., \$33,903.28; miscellaneous \$1,621.72	193,854 08
D Registration and Licence Fees: Feeding Stuffs Act, \$7,401.92; Fertilizers Act, \$8,813; Fruit, Vegetables and Honey Act, \$18,556.50; Maple Sugar Industry Act, \$460; Pest Control Products Act, \$7,198.08; Seeds Act, \$435..	42,864 50
E Fumigation Fees: Fumigation of infected nursery stock, \$6,729.71; fumigation of imported merchandise packed in fodder, \$718.60.....	7,448 31
F Record of Performance Fees: Cattle herd fees, \$11,187.76; poultry fees, \$10,123.11	21,310 87
G Rentals of government-owned buildings.....	28,905 07
H Race Track Supervision: Receipts from clubs, \$18,398.35; less expenses of supervision, \$14,891.07.....	3,507 28
I Miscellaneous Sales.....	33,716 05
J Refunds of previous years' expenditures.....	9,158 19
K Miscellaneous	367 50
	<i>686,820 88</i>

Fines and Forfeitures—Animal Contagious Diseases Act, \$110; Dairy Industry Act, \$505; Feeding Stuffs Act, \$30; Live Stock and Live Stock Products Act, \$215; Pest Control Products Act, \$100; Maple Sugar Industry Act, \$55; Seeds Act, \$65; War Measures Act, \$150; Prairie Farm Rehabilitation Act, deposits on plans retained, \$30.....	1,260 00
Special Revenue—Refunds of previous years' expenditures in the drought areas of the Provinces of Saskatchewan and Alberta: Direct Relief Agreements, \$1,295.16; Feed and Fodder Agreements, \$466.62; Prairie Farm Rehabilitation, \$158.96.....	1,920 74
	<u>\$ 690,001 62</u>

Certified correct.

H. BARTON,
Deputy Minister.

In accordance with the provisions of section 45 (1) of the Consolidated Revenue and Audit Act I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

A Experimental Farms: \$223,499.24 represents receipts from sales of live stock and produce. \$5,145.85 was received on account of the sale of 5 flax scutching machines. \$12,500 was derived from the sale of the Windermere Experimental Station.

C Inspection Fees: Fruit car grading and inspection fees are collected under authority of the Fruit, Vegetables and Honey Act; egg inspection fees, dressed poultry inspection fees, fur grading and inspection fees under the Live Stock and Live Stock Products Act; field inspection fees, seed testing and inspection fees, etc., under the Seeds Act. Although inspections are required to be made under the Animal Contagious Diseases Act and the Meat and Canned Foods Act, there is no specific authority for the collection of fees.

E Fumigation Fees: All charges in connection with the treatment of nursery stock, entering Canada, which is found to be infected, are recovered from the importer under authority of the Destructive Insect and Pest Act. Under the Animal Contagious Diseases Act, merchandise imported in hay, straw or other raw product of the soil must be disinfected before entry. When fumigated at a Canadian fumigation station, fees are collected by ministerial authority.

F Record of Performance Fees are collected by ministerial authority.

G Rentals are derived chiefly from employees occupying dwellings on Experimental Farms.

H Race Track Supervision: Section 235 of the Criminal Code provides for the appointment by the Minister of Agriculture of an officer who is required to approve of the type of pari-mutuel machines used, to supervise the operations of the machines, and to enforce the provisions of the Code relating to race-track betting; the expense incident to such supervision to be borne by the sponsoring racing association. Expenses are provided for by daily fees levied against race-track meetings. From the revenue so obtained costs of supervision are paid. In the province of Quebec civilian supervisors are employed, while in other provinces officers of the Royal Canadian Mounted Police perform this function. Payments to the Royal Canadian Mounted Police, with the exception of out-of-pocket expenses arising in connection with this activity, are deposited to the Police Benefit Fund under authority of Section 21 of the Royal Canadian Mounted Police Act.

I \$22,322.62 was derived from the sale of bulls purchased originally under the Bull Loaning Policy.

J Of this amount, \$7,109.11 represents refunds from the several provinces to cover transportation costs of veterinary inspectors engaged in bovine tuberculosis tests. The Animal Contagious Diseases Act stipulates that transportation charges from farm to farm be a charge against the Provinces.

APPROPRIATIONS AND EXPENDITURES

A total of \$60,568,397.66 was available for expenditure on account of the Department of Agriculture, of which \$48,683,233.32 was provided in the annual appropriation acts, \$11,865,822.14 was authorized by continuing statutory provisions, and \$19,342.20 was transferred from the annual appropriations for the Department of Finance. Expenditures were \$55,442,811.34 for the fiscal year 1941-42, an increase of \$38,430,166.75 as compared with those of \$17,012,644.59 in 1940-41.

In addition, a total of \$31,298,283.14 was allotted to the Department from the War Appropriation. Expenditures thereunder amounting to \$27,387,361.21 are shown in the War Expenditures section of this report.

No. of Vote		Appropriations	Expenditures	Lapsed
ADMINISTRATION SERVICE				
Statutory	Salary of Minister—Salaries Act, c. 182, R.S.	10,000 00	10,000 00	
Statutory	Motor Car Allowance to Minister —Appropriation Act No. 5, c. 61, 1931	2,000 00	2,000 00	
1	Departmental Administration....	121,925 00	111,773 62	10,151 38
2 } 420 }	Publicity and Extension Division	112,196 96	112,196 96	
3	Advisory Committee on Agricul- tural Services.....	3,000 00	1,684 41	1,315 59
4	Contributions to Empire Bureaux	33,823 34	31,066 50	2,756 84
SCIENCE SERVICE				
5 } 420 }	Science Service Administration...	23,726 55	23,726 55	
6	Animal and Poultry Pathology.	148,310 00	138,681 27	9,628 73
7	Bacteriology and Dairy Research	40,497 00	39,513 61	983 39
8 } 420 }	Botany and Plant Pathology....	289,744 11	289,744 11	
9 } 420 }	Agricultural Chemistry.....	99,862 80	99,862 80	
10 } 471 } 420 }	Entomology	467,010 78	467,010 78	
EXPERIMENTAL FARMS SERVICE				
11	Experimental Farms Administra- tion	59,970 00	59,348 41	621 59
12	Central Experimental Farm.....	588,870 00	584,767 06	4,102 94
13	Branch Farms and Stations and Illustration Stations.....	1,300,886 00	1,292,720 55	8,165 45
PRODUCTION SERVICE				
14	Production Service Administra- tion	35,560 00	34,209 26	1,350 74
Health of Animals—				
15	Administration of Animal Con- tagious Diseases Act and Meat and Canned Foods Act.....	1,652,495 00	1,580,987 03	71,507 97
16	Compensation for animals slaughtered	530,000 00	358,404 18	171,595 82

No. of Vote		Appropriations	Expenditures	Lapsed
PRODUCTION SERVICE—Conc.				
472	Payment of compensation to owners of animals affected with diseases coming under the operation of the Animal Contagious Diseases Act, which have died or have been slaughtered under circumstances unprovided for under the above Act and regulations thereunder, in the amounts detailed in the Estimates	297 31	297 31	
17	Live Stock and Poultry	707,597 55	679,521 39	28,076 16
18 }	Plant Protection.....	264,373 00	257,308 17	7,064 83
*416 }				
19	Plant Products—Seeds, Feeds, Fertilizers, Insecticides and Fungicides Control, including grant of \$18,900 to Canadian Seed Growers' Association.....	521,642 00	495,129 41	26,512 59
20	Grants to Fairs and Exhibitions, in the amounts detailed in the Estimates	65,000 00	65,000 00	
21	Grants to Agricultural organizations, in the amounts detailed in the Estimates.....	35,500 00	35,500 00	
MARKETING SERVICE				
22	Marketing Service Administration	95,252 00	81,930 62	13,321 38
23	Agricultural Economics.....	97,245 00	89,371 67	7,873 33
24 }	Dairy Products.....	358,718 00	357,961 16	756 84
*417 }				
25 }	Subsidies for Cold Storage Warehouses under the Cold Storage Act, and Grants, in the amounts detailed in the Estimates.....	127,197 12	44,142 66	83,054 46
473 }				
26	Fruit, Vegetable and Maple Products and Honey, including grant of \$5,000 to the Canadian Horticultural Council.....	527,110 00	525,362 95	1,747 05
27 }	Live Stock and Live Stock Products	536,766 00	530,592 45	6,173 55
*418 }				
28	Marketing of Agricultural Products, including temporary appointments that may be required to be made, notwithstanding anything contained in the Civil Service Act, the amount available for such appointments not to exceed \$13,000	25,000 00	24,512 97	487 03
SUPERANNUATION AND RETIREMENT BENEFITS				
Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.....	5,460 00	5,460 00	
Total Ordinary Expenditures..		8,887,035 52	8,429,787 86	457,247 66

AUDITOR GENERAL'S REPORT

No. of Vote		Appropriations	Expenditures	Lapsed
SPECIAL				
29	Prairie Farm Rehabilitation Act and Water Storage.....	2,500,000 00	2,406,503 29	93,496 71
Statutory	Prairie Farm Assistance Act, c. 50, 1939.....	11,848,362 14	11,848,362 14	
30	Prairie Farm Assistance Act....	500,000 00	422,459 67	77,540 33
31 }	Assistance to encourage the			
475 }	Improvement of Cheese and			
*419 }	Cheese Factories.....	1,745,000 00	1,676,366 56	68,633 44
32	Assistance for the replacement of maple production equipment...	75,000 00	12,576 79	62,423 21
474	Science Service Buildings—To complete construction.....	13,000 00	12,991 07	8 93
422	Payments on reductions in wheat acreage, under conditions pre- scribed by the Governor in Council, for administration expenses in connection there- with, and for temporary ap- pointments that may be re- quired notwithstanding any- thing contained in the Civil Service Act	35,000,000 00	30,633,763 96	4,366,236 04
	Total Special Expenditures....	51,681,362 14	47,013,023 48	4,668,338 66
	Total	\$60,568,397 66	\$55,442,811 34	\$5,125,586 32

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

*Supplementary vote.

ADMINISTRATION SERVICE

Salary of Minister of Agriculture, Salaries Act, c. 182, R.S. \$ 10,000 00

Comments on Expenditures

Minister of Agriculture, Hon. J. G. Gardiner.

Motor car allowance to Minister, Appropriation Act No. 5, c. 61, 1931.. \$ 2,000 00

Vote 1 Departmental Administration 121,925 00

Expenditures 111,773 62

Lapsed \$ 10,151 38

	Estimates details	Allotments authorized	Expenditures
A Salaries	96,070 00	96,070 00	92,876 17
B Miscellaneous	300 00	300 00	279 87
C Printing and Stationery	15,055 00	15,055 00	11,731 73
D Telephones, Telegrams and Postage....	3,500 00	3,500 00	2,242 30
E Travelling Expenses	7,000 00	7,000 00	4,643 55
	\$ 121,925 00	\$ 121,925 00	\$ 111,773 62

Comments on Expenditures

A As of March 31, 1942, there were 51 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: G. S. H. Barton, Deputy Minister, \$10,000; D. Allan, \$4,080; W. C. M. Becksted, \$2,400; J. G. Bouchard, \$4,800; D. L. Burgess, \$3,720; I. J. Cummings, \$3,720; B. M. Deachman, \$2,400, secretarial allowance, \$300; A. L. Shaw, \$2,700; E. F. Steele, \$4,020; G. A. Traill, \$2,400.

E Includes payments of \$300 or over to the following: Hon. J. G. Gardiner, \$2,488.12; D. M. Allan, \$1,089.54; J. G. Bouchard, \$740.80.

Vote 2 Publicity and Extension Division **109,650 00**
Vote 420 Cost-of-living bonus, supplement **2,546 96**

Expenditures **\$ 112,196 96**

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	75,650 00	80,213 51	80,213 51
B Express, Freight and Cartage	4,000 00	3,332 49	3,332 49
C Printing and Stationery	17,200 00	16,308 27	16,308 27
D Supplies and Materials	6,000 00	5,634 33	5,634 33
E Telephones, Telegrams and Postage.....	1,800 00	2,287 90	2,287 90
F Travelling Expenses	5,000 00	4,420 46	4,420 46
	<u>\$ 109,650 00</u>	<u>\$ 112,196 96</u>	<u>\$ 112,196 96</u>

Comments on Expenditures

A As of March 31, 1942, there were 43 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): G. J. Fixter, \$2,520; F. James, \$3,720; P. M. McArthur, \$3,060 (Mar. 12, noon); J. S. McGiffin, \$2,640; F. C. Nunnick, \$4,320.

Wages of labourers and casual employees amounted to \$8,655.14.

F Includes payments of \$300 or over to the following: W. A. Garland, \$476.14; F. C. Nunnick, \$1,250.58; L. A. O'Neill, \$670.07; G. F. F. Reynolds, \$706.03.

Vote 3 Advisory Committee on Agricultural Services **3,000 00**
Expenditures **1,684 41**

Lapsed **\$ 1,315 59**

	Estimates details	Allotments authorized	Expenditures
A Salaries	1,320 00	1,320 00	249 33
B Miscellaneous Services, including Travel- ling Expenses	1,680 00	1,680 00	1,435 08
	<u>\$ 3,000 00</u>	<u>\$ 3,000 00</u>	<u>\$ 1,684 41</u>

Comments on Expenditures

B Includes payment of travelling expenses, C. F. Bailey, \$443.45.

Vote 4 Contributions to Empire Bureaux **33,823 34**
Expenditures **31,066 50**

Lapsed **\$ 2,756 84**

	Estimates details	Expenditures
A Farnham House Laboratory	6,083 33	5,587 50
B Imperial Agricultural Bureaux	19,466 67	17,880 00
C Imperial Bureau of Entomology.....	5,353 34	4,917 00
D Imperial Bureau of Mycology.....	2,920 00	2,682 00
	<u>\$ 33,823 34</u>	<u>\$ 31,066 50</u>

AUDITOR GENERAL'S REPORT

Comments on Expenditures

The Agricultural Bureaux collect, collate and disseminate information on agricultural research and generally assist research workers throughout the Empire.

At a conference held in 1936 it was agreed that for the ensuing five years the basis of Canada's contributions should be as follows: Farnham House Laboratory, £1,250; Imperial Agricultural Bureaux, £4,000; Imperial Bureau of Entomology, £1,100; Imperial Bureau of Mycology, £600.

The differences between the amounts voted and those expended are due to the fact that the estimates were based on the par rate of exchange, viz., \$4.86½. The established rate is \$4.47.

SCIENCE SERVICE

Vote 5	Science Service Administration	23,517 00
Vote 420	Cost-of-living bonus, supplement	209 55
		23,726 55
	Expenditures	\$ 23,726 55

	Estimates details	Allotments authorized	Expenditures
A Salaries	16,785 00	19,652 88	19,652 88
B Co-operative Investigations	2,500 00	2,250 00	2,250 00
C Printing and Stationery	2,532 00	571 39	571 39
D Supplies and Materials	100 00	26 78	26 78
E Telephones, Telegrams and Postage	100 00	111 73	111 73
F Travelling Expenses	1,500 00	1,113 77	1,113 77
	\$ 23,517 00	\$ 23,726 55	\$ 23,726 55

Comments on Expenditures

A As of March 31, 1942, there were 9 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: T. B. G. Rankin, \$2,400; J. M. Swaine, \$6,900; H. L. Trueman, \$3,480.

B Includes grants authorized by the Governor in Council as follows: National Research Council of Canada, \$1,200 for investigations on spectrographic analysis of soils and plants; Macdonald College, Que., \$600 for investigations on the control of intestinal parasites of sheep and \$450 for investigations in growing leafy vegetables.

F Includes payment to J. M. Swaine of \$851.24.

Vote 6	Animal and Poultry Pathology	148,310 00
	Expenditures	138,681 27
	Lapsed	\$ 9,628 73

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	121,340 00	121,340 00	116,990 08
B Buildings and Lands	2,000 00	2,000 00	571 70
C Equipment	1,000 00	1,000 00	616 33
D Express, Freight and Cartage	550 00	900 00	873 61
E Miscellaneous	1,800 00	2,350 00	2,326 44
F Printing and Stationery	3,000 00	3,000 00	2,469 22
G Supplies and Materials	13,590 00	13,590 00	12,128 42
H Telegrams, Telephones and Postage	250 00	250 00	199 90
I Travelling Expenses	4,780 00	3,880 00	2,505 57
	\$ 148,310 00	\$ 148,310 00	\$ 138,681 27

Comments on Expenditures

A As of March 31, 1942, there were 50 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. C. Bankier, \$2,700; E. W. Bond, \$2,520; E. A. B. Bruce, \$3,120, and house valued at \$360; R. Gwatkin, \$3,060, and house valued at \$480; L. M. Heath, \$3,660; H. Konst, \$3,180; C. Mackie, \$2,520; C. W. McIntosh, \$3,660; C. A. Mitchell, \$4,140; T. Moore, \$2,700; P. J. G. Plummer, \$2,700; J. C. Reid, \$3,660; W. E. Swales, \$2,940; E. A. Watson, \$4,920; C. H. Weaver, \$3,660; A. B. Wickware, \$3,120.

Wages of labourers and casual employees amounted to \$20,185.09.

I Includes payments of \$300 or over to the following: L. Castles, \$342.12; R. Gwatkin, \$523.76; E. A. Watson, \$428.24.

Vote 7 Bacteriology and Dairy Research	40,497 00
Expenditures	39,513 61
Lapsed	\$ 983 39

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	35,420 00	35,731 10	35,731 10
B Equipment	500 00	443 90	149 08
C Express, Freight and Cartage	100 00	100 00	43 95
D Miscellaneous	150 00	350 00	267 66
E Printing and Stationery	1,007 00	632 00	536 09
F Supplies	1,800 00	2,050 00	1,823 51
G Telegrams, Telephones and Postage.....	100 00	100 00	37 72
H Travelling Expenses	1,420 00	1,090 00	924 50
	\$ 40,497 00	\$ 40,497 00	\$ 39,513 61

Comments on Expenditures

A As of March 31, 1942, there were 16 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: H. L. Berard, \$2,520; E. G. Hood, \$3,780; C. K. Johns, \$3,180; A. G. Lochhead, \$4,140; A. H. White, \$2,940.

Wages of labourers and casual employees amounted to \$1,059.10.

H Includes payment to E. G. Hood of \$427.23.

Vote 8 Botany and Plant Pathology	285,097 00
Vote 420 Cost-of-living bonus, supplement	4,647 11

Expenditures	\$ 289,744 11
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	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	247,177 00	249,760 23	249,760 23
B Buildings and Lands.....		11 75	11 75
C Equipment	5,000 00	6,150 13	6,150 13
D Express, Freight and Cartage	1,140 00	542 78	542 78
E Miscellaneous	1,805 00	1,676 97	1,676 97
F Printing and Stationery	7,000 00	7,189 79	7,189 79
G Rents	3,580 00	3,417 00	3,417 00
H Supplies	5,225 00	9,058 37	9,058 37
I Telegrams, Telephones and Postage.....	2,009 00	1,134 30	1,134 30
J Travelling Expenses	12,161 00	10,802 79	10,802 79
	\$ 285,097 00	\$ 289,744 11	\$ 289,744 11

Comments on Expenditures

A As of March 31, 1942, there were 97 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: G. H. Berkeley, \$3,240; W. C. Broadfoot, \$2,880; A. M. Brown, \$2,400; A. R. T. Buckley, \$2,580; G. C. Chamberlain, \$3,180; I. L. Connors, \$3,180; M. W. Cormack, \$2,700; J. H. Craigie, \$4,140; F. L. Drayton, \$3,660; R. E. Fitzpatrick, \$2,400; W. L. Gordon, \$2,880; F. J. Greaney, \$3,180; H. Groh, \$3,180; H. T. Gussow, \$5,220; A. A. Hildebrand, \$2,400; J. F. D. Hockey, \$3,180; J. L. Howatt, \$2,700; R. R. Hurst, \$3,180; T. Johnston, \$2,880; W. Jones, \$2,400; L. W. Koch, \$2,880; C. W. Leggatt, \$3,660; J. E. Machacek, \$2,400; D. J. MacLeod, \$3,180; R. MacRae, \$2,700; A. W. McCallum, \$2,880; H. R. McLarty, \$3,660; H. W. Mead, \$2,400; I. Mounce, \$3,180; M. Newton, \$3,240; W. Newton, \$3,180; C. Perreault, \$2,880; B. Peterson, \$2,400; W. Popp, \$2,400; H. N. Racicot, \$3,180; J. K. Richardson, \$2,400; C. G. Riley, \$2,880; R. C. Russell, \$2,880; B. J. Sallans, \$2,700; G. B. Sanford, \$3,180; G. A. Scott, \$2,700; H. A. Senn, \$2,940; P. M. Simmonds, \$3,240; R. S. Willison, \$2,880; G. E. Woolliams, \$2,700.

Wages of labourers and casual employees amounted to \$31,838.69.

C Includes purchase of 4 new cars at a net cost of \$3,766.23 after deducting \$1,225 allowance on 3 trade-ins.

J Includes payments of \$300 or over to the following: J. E. Bier, \$613.63; A. A. Hildebrand, \$394.16; L. W. Koch, \$448.45; A. W. McCallum, \$602.58; G. A. Scott, \$358.26.

Vote 9 Agricultural Chemistry	99,411 00
Vote 420 Cost-of-living bonus, supplement	451 80
	99,862 80
Expenditures	\$ 99,862 80

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	85,040 00	87,386 45	87,386 45
B Equipment	2,540 00	2,445 58	2,445 58
C Express, Freight and Cartage.....	550 00	433 35	433 35
D Miscellaneous	350 00	402 87	402 87
E Printing and Stationery	1,400 00	1,087 53	1,087 53
F Supplies and Materials	7,431 00	6,897 90	6,897 90
G Telegrams, Telephones and Postage	100 00	72 55	72 55
H Travelling Expenses	2,000 00	1,136 57	1,136 57
	\$ 99,411 00	\$ 99,862 80	\$ 99,862 80

Comments on Expenditures

A As of March 31, 1942, there were 41 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): C. E. Allen, \$3,180; E. R. G. Emslie, \$2,700; G. R. Giles, \$3,180; H. S. Hammond, \$3,180; B. Hedley, \$2,700; F. A. Herman, \$3,300; J. T. Janson, \$3,660; F. B. Johnston, \$2,700; C. H. Robinson, \$4,620; H. H. Selwyn, \$2,400; C. J. Watson, \$3,660; J. C. Woodward, \$2,580 (Dec. 1, military leave); L. E. Wright, \$3,660.

Wages of labourers and casual employees amounted to \$3,203.53.

Vote 10 Entomology	443,524 00
Vote 471 Further amount required	12,000 00
Vote 420 Cost-of-living bonus, supplement	11,486 78
	467,010 78
Expenditures	\$ 467,010 78

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	372,055 00	388,446 77	388,446 77
B Buildings and Lands	1,340 00	1,552 05	1,552 05
C Equipment	3,569 00	3,379 00	3,379 00
D Express, Freight and Cartage	2,225 00	2,323 09	2,323 09
E Miscellaneous	3,700 00	4,084 49	4,084 49
F Printing and Stationery	11,500 00	8,447 94	8,447 94
G Rents	3,979 00	3,589 00	3,589 00
H Supplies and Materials	24,306 00	15,876 66	15,876 66
I Telegrams, Telephones and Postage	3,500 00	2,172 74	2,172 74
J Travelling Expenses	29,350 00	37,139 04	37,139 04
	<u>\$ 455,524 00</u>	<u>\$ 467,010 78</u>	<u>\$ 467,010 78</u>

Comments on Expenditures

A As of March 31, 1942, there were 174 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): T. Armstrong, \$2,400; A. P. Arnason, \$2,700; C. E. Atwood, \$2,400; A. B. Baird, \$3,660; R. E. Balch, \$3,180; G. Beall, \$2,400; R. D. Bird, \$3,180; A. W. A. Brown, \$2,400; W. J. Brown, \$3,180; E. R. Buckell, \$3,180; H. G. M. Crawford, \$4,140; L. Daviault, \$2,400; J. J. de Gryse, \$4,140; W. Downes, \$2,700; A. G. Dustan, \$3,180; C. Farstad, \$2,400; W. G. P. Garlick, \$2,700; A. Gibson, \$5,220; R. Glen, \$2,700; R. Glendenning, \$2,700; R. P. Gorham, \$2,700; A. R. Graham, \$2,400; H. E. Gray, \$3,180; J. D. Gregson, \$2,400; J. A. Hall, \$2,400; G. H. Hammond, \$2,400; R. H. Handford, \$2,400; F. C. Hennessey, \$2,700 (Nov. 8); G. R. Hopping, \$2,760; C. B. Hutchings, \$2,880; K. M. King, \$3,660; G. A. Mail, \$3,180; J. B. Maltais, \$2,400; G. F. Manson, \$2,700; J. Marshall, \$3,060; J. H. McDunnough, \$4,140; R. H. Painter, \$2,400; N. A. Patterson, \$2,700; L. C. Paul, \$2,400; O. Peck, \$2,400; C. E. Petch, \$3,180; A. D. Pickett, \$3,060; M. L. Prebble, \$2,700; W. A. Reeks, \$2,400; H. A. Richmond, \$2,400; W. A. Ross, \$3,660; H. L. Seamans, \$3,660; L. J. Simpson, \$2,700; C. W. Smith, \$2,880; G. J. Spencer, \$2,520 (Sept. 1); K. E. Stewart, \$2,700; G. M. Stirrett, \$3,180; C. R. Twinn, \$3,180; E. P. Venables, \$2,400; G. S. Walley, \$2,880; E. B. Watson, \$3,180; R. M. White, \$2,400; G. Wishart, \$2,700.

Wages of labourers and casual employees amounted to \$38,253.10.

C Includes the purchase of 2 new cars at a net cost of \$1,321.26 after deducting \$1,100 allowance on 2 trade-ins.

J Includes payments of \$300 or over to the following: A. B. Baird, \$425.59; A. D. Baker, \$844.78; A. A. Beaulieu, \$459.56; F. M. Cannon, \$454.98; H. G. Crawford, \$305.59; L. Daviault, \$443.51; J. J. de Gryse, \$679; W. Downes, \$303.39; T. N. Freeman, \$552.29; A. Gibson, \$840.18; R. P. Gorham, \$435.27; D. E. Gray, \$452.79; G. H. Hammond, \$651.76; G. R. Hopping, \$599.22; J. B. Maltais, \$633.61; J. Marshall, \$315.24; H. W. Moore, \$327.31; R. H. Painter, \$464.65; J. P. Perron, \$497.89; C. E. Petch, \$565.74; H. A. Richmond, \$337.33; R. M. White, \$358.40.

Purchases of gasoline amounting to \$1,000 or more were made from the following firms: Imperial Oil Limited, \$2,510.37; McColl-Frontenac Oil Co., \$1,105.06.

EXPERIMENTAL FARMS SERVICE

Vote 11 Experimental Farms Administration	59,970 00
Expenditures	59,348 41
Lapsed	\$ 621 59

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	54,070 00	53,420 00	53,384 11
B Equipment	400 00	400 00	302 32
C Miscellaneous	600 00	650 00	613 81
D Printing and Stationery	2,500 00	2,700 00	2,591 84
E Supplies and Materials	800 00	1,000 00	981 15
F Telegrams, Telephones and Postage.....	600 00	600 00	557 99
G Travelling Expenses	1,000 00	1,200 00	917 19
	<u>\$ 59,970 00</u>	<u>\$ 59,970 00</u>	<u>\$ 59,348 41</u>

Comments on Expenditures

A As of March 31, 1942, there were 25 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: E. S. Archibald, Director, \$7,500; H. C. Ensor, \$3,480; F. W. Graves, \$3,000; W. F. Hanchet, \$2,700; E. S. Hopkins, \$5,220; T. J. Kendrick, \$2,760.

Wages of labourers and casual employees amounted to \$1,864.29.

G Includes payment to the Director, E. S. Archibald, \$858.15.

Vote 12 Central Experimental Farm	588,870 00
Expenditures	584,767 06
Lapsed	\$ 4,102 94

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	488,040 00	481,278 09	481,234 54
B Buildings and Lands	3,520 00	2,273 11	2,273 11
C Equipment	13,150 00	15,450 60	15,450 60
D Freight, Express and Cartage	2,105 00	2,479 33	2,479 33
E Miscellaneous	3,520 00	1,630 71	1,630 71
F Printing and Stationery	19,450 00	19,450 00	18,274 82
G Rents	2,360 00	4,751 89	4,751 89
H Supplies and Materials	23,720 00	27,984 78	27,984 78
I Feed	15,610 00	14,584 67	12,330 00
J Telegrams, Telephones and Postage.....	1,835 00	1,835 00	1,205 46
K Travelling Expenses	15,560 00	17,151 82	17,151 82
	<u>\$ 588,870 00</u>	<u>\$ 588,870 00</u>	<u>\$ 584,767 06</u>

Comments on Expenditures

A As of March 31, 1942, there were 139 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): R. W. Arengo-Jones, \$2,520; J. Maxwell Armstrong, \$3,540; J. Morris Armstrong, \$3,180; A. H. W. Birch, \$2,580 (May 24); D. S. Blair, \$3,180; E. Braun, \$2,460; F. S. Browne, \$3,660; P. R. Cowan, \$3,180; M. B. Davis, \$4,620; A. Deakin, \$3,060; R. A. Derick, \$3,180; F. Dimmock, \$3,660; W. Ferguson, \$2,400; E. B. Fraser, \$3,180; J. G. C. Fraser, \$3,660; L. E. Gilmore, \$2,700; C. B. Gooderham, \$3,660; D. D. Gray, \$3,120 (Aug. 2); H. S. Gutteridge, \$3,180; H. Hill, \$3,180; A. W. S. Hunter, \$2,700; R. J. Hutchinson, \$3,780; W. Kalbfleisch, \$2,820; A. Kellett, \$2,700; G. Knowles, \$2,520; A. Leahey, \$3,240; C. D. MacKenzie, \$2,700 (Oct. 11, military leave); E. M. MacKey, \$2,700; N. A. MacRae, \$3,660; R. M. MacVicar, \$2,580; W. G. McGregor, \$3,180; H. D. Mitchell, \$2,700; G. W. Muir, \$4,140; S. S. Munro, \$3,060; N. T. Nelson, \$4,140; L. H. Newman, \$4,920; F. S. Nowosad, \$2,580; R. W. Oliver, \$2,400; W. R. Phillips, \$2,400; I. Preston, \$2,520; P. O. Ripley, \$3,660; T. F. Ritchie, \$3,660; G. Robertson, \$4,140; T. Stevenson, \$4,020; P. E. Sylvestre, \$3,180; A. G. Taylor, \$2,700; A. G. O. Whiteside, \$3,180.

Wages of labourers and casual employees amounted to \$176,911.20.

K Includes payments of \$300 or over to the following: H. Aalund, \$402.90; F. S. Browne, \$368.17; D. B. Cann, \$489.63; M. B. Davis, \$331.71; F. Dimmock, \$306.89; E. L. Eaton, \$498.43; L. Farstad, \$1,079.33; A. S. Fleming, \$304.40; C. B. Gooderham, \$598.36; G. A. Hills, \$1,142.38; R. J. Hutchinson, \$789.73; E. M. MacKey, \$303.46; G. W. Muir, \$675.95; L. H. Newman, \$460.69; N. M. Parks, \$1,037.95; N. R. Richards, \$444.10; G. Robertson, \$733.46; J. L. Roy, \$478.53; T. M. Stevenson, \$635.67; C. C. Strachan, \$422.18; G. B. Whiteside, \$523.61.

Payment of \$5,404.26 was made to the Maple Leaf Milling Co. Ltd., Ottawa.

Vote 13 Branch Farms, Stations and Illustration Stations.....	1,300,886 00
Expenditures	1,292,720 55
Lapsed	\$ 8,165 45

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	1,013,973 00	987,708 75	987,708 75
B Buildings and Lands	15,186 00	21,368 33	21,368 33
C Equipment and Live Stock	39,012 00	59,176 78	59,176 78
D Freight, Express and Cartage	10,239 00	14,972 37	14,972 37
E Miscellaneous	15,095 00	17,628 20	17,628 20
F Printing and Stationery	33,255 00	25,202 16	17,036 71
G Rents	30,327 00	24,821 27	24,821 27
H Supplies and Materials	67,045 00	77,367 87	77,367 87
I Feed, Bedding and Veterinary Supplies	46,524 00	37,076 15	37,076 15
J Telegrams, Telephones and Postage...	8,110 00	8,207 48	8,207 48
K Travelling Expenses	22,120 00	27,356 64	27,356 64
	<u>\$ 1,300,886 00</u>	<u>\$ 1,300 886 00</u>	<u>\$ 1,292,720 55</u>

Comments on Expenditures

The classification of expenditures by farms is as follows: Kentville, N.S., \$61,880.83; Nappan, N.S., \$49,458.52; Charlottetown, P.E.I., \$41,534.12; Summerside, P.E.I., \$19,012.69; Fredericton, N.B., \$50,475.52; Ste. Anne de la Pocatiere, Que., \$54,420.46; Lennoxville, Que., \$43,261.98; L'Assomption, Que., \$41,085.70; Normandin, Que., \$26,106.96; Ste. Clothilde, Que., \$8,802.75; Harrow and Delhi, Ont., \$61,391.70; Kapuskasing, Ont., \$47,115.34; Winnipeg, Man., \$25,814.70; Morden, Man., \$53,569.21; Brandon, Man., \$45,277.84; Saskatoon, Sask., \$13,102.36; Indian Head and Regina, Sask., \$51,995.57; Indian Head, Sask., Forest Nursery, \$28,953.21; Melfort, Sask., \$24,327.26; Scott, Sask., \$43,769.56; Sutherland, Sask., \$19,941.92; Swift Current, Sask., \$56,659.10; Lethbridge, Alta., \$56,004.26; Lacombe, Alta., \$47,805.41; Manyberries, Alta., and Kamloops, B.C., \$20,287.90; Beaverlodge, Alta., \$23,934.48; Summerland and Kelowna, B.C., \$61,649.92; Agassiz, B.C., \$44,352.53; Smithers, B.C., \$10,140.88; Saanichton, B.C., \$30,382.08; Sub-stations, \$6,107.44; Fort Vermilion, B.C., \$6,296.83; Prince George, B.C., \$27,658.88; Illustration Stations, \$90,142.64.

A As of March 31, 1942, there were 289 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): W. D. Albright, \$2,520; F. E. Atkinson, \$2,820; C. F. Bailey, \$3,420, and house valued at \$420; W. W. Baird, \$3,420, and house valued at \$420; J. P. S. Ballantyne, \$3,120, and house valued at \$360; J. A. Belzile, \$2,820, and house valued at \$360; J. D. Belzile, \$2,700 (June 23, military leave); P. Bertrand, \$2,400; R. D. L. Bligh, \$2,640; R. Bordeleau, \$3,480; W. J. Breakey, \$2,460; D. A. Brown, \$2,700; G. F. H. Buckley, \$2,700; H. Chester, \$2,400; J. A. Clark, \$3,420, and house valued at \$420; S. E. Clarke, \$2,700; W. W. Cram, \$2,400; J. G. Davidson, \$2,520; G. E. Delong, \$2,820; G. N. Denike, \$2,400; C. A. Edwards, \$2,700; C. C. Eidt, \$2,700; W. H. Fairfield, \$4,140; W. M. Fleming, \$2,580; J. L. Forsyth, \$2,400 (Nov. 1); W. H. Gibson, \$3,420, and house valued at \$420; J. H. Girard, \$2,400; E. T. Goring, \$2,400; C. H. Goulden, \$4,140; C. K. Gunn, \$2,820; H. J. Hargrave, \$2,940, and house valued at \$360; R. J. Haslam, \$2,820; W. D. Hay, \$2,400; W. H. Hicks, \$3,420, and house valued at \$420; S. A. Hilton, \$2,460; R. M. Hopper, \$2,820; F. V. Hutton, \$3,300; A. Kelsall, \$3,420, and house valued at \$420; H. J. Kemp, \$3,180; W. L. Kerr, \$2,460; F. B. Kinsman, \$2,700; A. Lawrence, \$2,400; W. R. Leslie,

\$3,420, and house valued at \$420; J. M. F. MacKenzie, \$2,400; A. J. Mann, \$2,520; G. D. Matthews, \$3,660; J. McLean, \$3,300; M. J. McPhail, \$2,940, and house valued at \$360; J. E. Montreuil, \$3,420, and house valued at \$420; J. C. Moynan, \$4,140; H. F. Murwin, \$3,660; R. G. V. Newton, \$3,480, and house valued at \$360; A. E. Palmer, \$2,760; R. C. Palmer, \$3,660; J. R. Pelletier, \$3,540; R. F. Peterson, \$3,180; H. K. C. Rasmussen, \$2,460; F. H. Reed, \$3,660; W. S. Richardson, \$2,520; N. M. Ross, \$4,020 (Mar. 28); C. E. Ste. Marie, \$3,180; J. U. A. Ste. Marie, \$3,420, and house valued at \$420; D. C. Schurman, \$2,520; G. E. Smith, \$3,120, and house valued at \$360 (May 1); E. C. Stacey, \$2,400; F. A. Stinson, \$2,400; L. B. Thomson, \$4,140; M. J. Tinline, \$3,120, and house valued at \$360; B. F. Tinney, \$2,520; E. W. Tisdale, \$2,700; E. Van Nice, \$2,520; J. Walker, \$3,300; J. N. Welsh, \$3,180; W. J. White, \$3,060; H. E. Wilson, \$2,640; R. M. Wilson, \$2,520; J. J. Woods, \$2,820; L. C. Young, \$2,400.

Wages of labourers and casual employees amounted to \$420,397.67.

G Includes payments for the rental of 159 Illustration Stations, \$18,933.10.

K Includes payments of \$300 or over to the following: O. Allard, \$803.60; A. E. Barrett, \$1,083.98; N. F. Bell, \$361.30; C. J. Bellefleur, \$736.88; A. Belzile, \$694.96; W. N. Black, \$529.98; J. E. Britton, \$451.30; D. A. Brown, \$529.46; F. S. Browne, \$445.40; R. Caron, \$814.56; L. M. Casserly, \$759.98; P. E. Cote, \$645.98; A. Courcy, \$312.80; C. C. Eidt, \$529.25; F. X. Gosselin, \$975.17; C. K. Gunn, \$308.44; R. M. Hall, \$1,197.61; W. M. Harding, \$320.83; H. J. Hargrave, 451.81; F. B. Kinsman, \$984.12; J. K. Knights, \$368.31; W. R. Leslie, \$348.17; J. C. Moynan, \$545.39; H. F. Murwin, \$411.80; R. G. Newton, \$457.72; R. C. Parent, \$1,095; J. R. Pelletier, \$304.33; A. W. Platt, \$351.91; R. E. Silliphant, \$308.83; F. A. Stinson, \$385.07.

Payments of \$5,000 or over were made to the following: James D. Campbell Estate, Swift Current, Sask., \$6,301.25; Imperial Oil Ltd., \$10,656.50

PRODUCTION SERVICE

Vote 14 Production Service Administration	35,560 00
Expenditures	34,209 26
Lapsed	\$ 1,350 74

	Estimates details	Allotments authorized	Expenditures
A Salaries	31,755 00	32,861 62	32,861 62
B Miscellaneous	100 00	100 00	79 69
C Supplies and Materials	100 00	100 00	43 64
D Printing and Stationery	2,000 00	1,064 70	766 62
E Telegrams, Telephones and Postage.....	605 00	605 00	97 06
F Travelling Expenses	1,000 00	828 68	360 63
	<u>\$ 35,560 00</u>	<u>\$ 35,560 00</u>	<u>\$ 34,209 26</u>

Comments on Expenditures

A As of March 31, 1942, there were 18 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: L. A. Bissell, \$3,360; R. S. Hamer, \$6,300.

F Includes payment to R. S. Hamer, \$345.63.

Vote 15 Administration of Animal Contagious Diseases Act and Meat and Canned Foods Act	1,652,495 00
Expenditures	1,580,987 03
Lapsed	\$ 71,507 97

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	1,293,525 00	1,293,525 00	1,268,951 01
B Buildings and Lands	2,000 00	2,000 00	732 99
C Equipment	14,420 00	14,420 00	11,863 32
D Express, Freight and Cartage	4,300 00	4,300 00	3,597 86
E Miscellaneous	10,500 00	14,000 00	13,790 01
F Professional Services, including Medical and Legal Fees	1,150 00	1,150 00	927 09
G Printing and Stationery	28,000 00	28,000 00	21,036 28
H Rents	6,500 00	6,500 00	5,743 64
I Supplies	27,000 00	32,000 00	29,354 54
J Telegrams, Telephones and Postage.....	17,000 00	18,000 00	17,253 67
K Travelling Expenses	248,100 00	238,600 00	207,736 62
	<u>\$ 1,652,495 00</u>	<u>\$ 1,652,495 00</u>	<u>\$ 1,580,987 03</u>

Comments on Expenditures

A As of March 31, 1942, there were 614 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): W. G. Ambridge, \$2,400; H. H. Anderson, \$2,520; A. T. Andrew, \$2,520; A. J. Andries, \$2,520; F. R. Armstrong, \$2,820; J. H. O. Armstrong, \$2,520; L. Bailey, \$2,520 (Jan. 6); M. Barker, \$3,900; W. D. Baskette, \$2,520; W. C. Batty, \$2,400; G. Beauchemin, \$2,520; J. E. Beaudry, \$2,640; N. G. Beaver, \$2,520; R. E. Beggs, \$2,640; J. E. Bennett, \$2,520; A. W. Bett, \$2,520; T. P. Bett, \$2,520; A. C. Blackwood, \$2,760; R. Blyth, \$2,880; C. R. Boast, \$2,520; R. D. Boast, \$2,640; J. Bovaird, \$2,640; R. J. Bowerman, \$2,640; J. S. Bowie, \$2,520; J. A. Boyer, \$2,760; S. G. Bright, \$2,760; C. Brind, \$3,000 (May 9); G. A. Brossard, \$2,640; E. L. Brown, \$2,520; G. N. Browne, \$2,520; O. Brunet, \$2,640; J. Buie, \$2,640 (July 17); C. S. Cain, \$2,520; H. L. Caldwell, \$2,520; A. E. Cameron, \$4,920; J. F. Campeau, \$2,520 (Dec. 13); J. C. Carey, \$2,640; M. L. Carey, \$2,640; E. E. Carlson, \$2,520; S. L. C. Catley, \$2,520; R. B. Catt, \$2,520; M. Chagnon, \$2,520; R. G. Chapman, \$2,520; P. Charest, \$2,520; K. Chester, \$2,520; T. Childs, \$2,520; I. Christian, \$2,880; N. D. Christie, \$3,000; V. V. Christie, \$2,880; G. M. Clark, \$2,520; W. Clarkson, \$2,520; R. Clegg, \$2,520; H. Colebourn, \$2,520; N. J. Coleman, \$2,520; C. Coliton, \$2,520; G. H. Collacutt, \$2,520; E. R. Corbett, \$2,880; T. J. Cornish, \$2,520; J. N. L. Couture, \$3,000; H. W. Cowan, \$2,640; R. G. Cowie, \$2,520; F. A. Daigneault, \$2,520; J. G. Davidson, \$2,520; W. B. Davidson, \$2,520; S. A. Davison, \$2,640; R. B. Dellert, \$2,520; C. E. Derome, \$2,760; H. L. Dixon, \$2,520; W. J. Drennan, \$2,520; D. E. Dufresne, \$2,760 (June 29); J. B. A. Dufresne, \$2,520; J. E. A. Duhamel, \$2,520; R. C. Duthie, \$2,520; G. A. Edge, \$2,520; C. L. Edwards, \$2,760; J. N. Ellah, \$2,520; J. W. R. Fasken, \$2,760; L. H. Ferris, \$2,400; B. C. Flook, \$2,520; H. L. Forbes, \$2,520; O. A. Foster, \$2,640; R. G. D. Fox, \$2,520; A. S. Frame, \$2,520; J. W. Frank, \$2,640; C. H. J. Gauvin, \$2,760; E. C. Gauvin, \$2,880; J. W. H. Gear, \$2,520; A. B. Gibson, \$2,520; H. H. Gibson, \$2,520; S. J. Gibson, \$2,640; S. P. Giebelhaus, \$2,520; J. L. Gleason, \$2,520; A. Gowling, \$2,400 (Jan. 2); E. Grandmaison, \$2,880; D. Gruer, \$2,520; O. Hall, \$3,660; G. S. Hanmore, \$2,580; J. C. Hargrave, \$3,120 (Aug. 28); H. G. Hebert, \$2,640; W. A. Henderson, \$2,640 (Oct. 21); R. H. Henry, \$2,520; S. A. Hill, \$2,640; W. C. Hodgins, \$2,520; W. J. Hoey, \$2,400; J. D. Hogan, \$2,520; A. W. Hopkins, \$2,520; J. E. Horsland, \$2,640; J. E. Houston, \$2,520; W. L. Howden, \$2,520; H. N. Howell, \$2,520; J. T. M. Hughes, \$2,520; H. T. Hyslop, \$2,640; I. B. Irwin, \$2,520; N. V. James, \$2,520; G. S. Jermyn, \$2,520 (Feb. 14); F. O. Jones, \$2,520; R. Julien, \$2,640; G. N. Jull, \$2,520; N. N. R. Kee, \$2,520; R. W. Kelly, \$2,520; S. H. Kesten, \$2,520; W. Kime, \$3,000; G. T. Labelle, \$2,520; J. A. Labelle, \$2,640; J. E. Laberge, \$2,520; L. Laberge, \$2,640; J. O. Langevin, \$3,240; S. N. D. Laroque, \$2,520 (Dec. 5, noon); C. Latimer, \$2,520; R. H. Lay, \$3,240; J. A. Leadbeater, \$2,880; J. E. Leblond, \$2,760; F. Lefebvre, \$2,520; J. H. G. Lefebvre, \$2,520; E. G. Lemieux, \$2,640; J. U. Lemieux, \$2,520; F. J. Leslie, \$2,280; M. I. Lowrie, \$2,520; A. R. C. Lundie, \$2,640; H. E. Macdonald, \$2,580; J. G. Macdonald, \$2,880; W. F. MacDougall, \$2,520; J. S. Mack, \$2,520; J. C. MacLennan, \$2,640; C. O. Maconachie, \$3,660; H. H. MacPhee, \$2,520; N. L. Mahaffy, \$2,520; E. G. Mandley, \$2,520; J. A. Marcil, \$2,640; W. H. Marriott, \$2,760; R. M. Mason, \$2,640;

F. Mathews, \$2,520; A. W. McCaskill, \$2,520; J. C. McConnell, \$2,520; H. G. McDonald, \$2,520; A. M. McFarlane, \$2,520; S. C. McKee, \$2,520; P. G. McKenzie, \$2,580; W. H. McKenzie, \$3,120 (Oct. 18); V. McLeish, \$2,520; D. J. McLellan, \$2,760; J. A. McLellan, \$2,520; J. U. V. Meilleur, \$2,520; F. Midwinter-Steane, \$2,520; R. J. Milner, \$2,640; A. R. Monroe, \$2,520; K. R. Moore, \$2,520; C. E. Morgan, \$2,520; A. P. Morris, \$2,520; J. J. Morrow, \$2,520; W. Moynihan, \$3,240; H. W. Mustard, \$2,880; J. W. Naismith, \$2,520; M. J. Neely, \$2,520; J. E. Nesbitt, \$2,520; G. A. Nichol, \$2,400; W. E. Nicholls, \$2,520; E. S. Notting, \$2,640; R. B. O'Brien, \$2,520; R. R. Ormiston, \$2,520; A. E. Owers, \$2,520; F. Parmiter, \$2,760; P. J. Pascoe, \$2,400 (Nov. 1, military leave); W. T. Patton, \$2,400; G. R. Penhall, \$2,520; M. B. Perdue, \$2,520 (Oct. 26); G. G. Pook, \$2,640; P. Priestly, \$2,760; J. W. Purdy, \$2,880; R. Racicot, \$2,520; C. E. Reckin, \$2,520; O. J. Reed, \$2,520; C. H. Richardson, \$2,640; R. H. Rivington, \$2,520; A. Robertson, \$2,520; D. M. Robertson, \$2,760; I. Robson, \$2,400; G. A. Rose, \$2,880; W. A. Ross, \$2,760; F. F. Saint, \$2,520; E. Salisbury, \$2,520; D. C. Scafe, \$3,000; C. C. Schilt, \$2,520; W. Seymour, \$2,760; J. S. Shepherdson, \$2,520; J. H. Shonyo, \$2,880; P. E. Simard, \$2,520; C. A. Skuce, \$2,520; F. W. B. Smith, \$2,880; J. W. Smith, \$2,520; O. A. K. Snyder, \$2,520; E. Sorel, \$2,520; W. Speirs, \$2,520; H. Sproston, \$2,640; J. A. Stanford, \$2,640; G. W. Starnaman, \$2,640; C. M. Steen, \$2,640; J. Steen, \$2,880; W. W. Stevens, \$2,520; A. Stobart, \$2,640; W. J. Stoneman, \$2,520; H. C. Storey, \$2,880; J. M. Stuart, \$2,760; W. F. R. Stubbs, \$2,520; L. H. Swail, \$2,520; A. C. Tanner, \$2,760; M. H. Taylor, \$2,880; W. Tennant, \$2,520; D. C. Tennent, \$2,880; J. A. Theoret, \$2,640; J. H. Theoret, \$2,640; E. B. Thomas, \$2,760; K. H. Thompson, \$2,520; W. G. Thomson, \$2,760; F. W. Towill, \$2,400; J. L. Trudeau, \$2,640; M. H. Trudel, \$2,400; R. G. Tupling, \$2,520; W. J. Turnbull, \$2,520; E. B. Ungar, \$3,120; R. Waddy, \$2,520 (Aug. 24); A. C. Wagner, \$2,520; S. L. Wall, \$2,520; H. J. Watt, \$2,520; A. J. Way, \$2,520; J. Welch, \$2,520 (June 29); R. H. B. Wheatley, \$2,520; A. A. White, \$2,520; F. Wood, \$2,880; C. Young, \$2,520; A. W. Younghusband, \$2,520; H. M. Younghusband, \$2,580.

Wages of labourers and casual employees amounted to \$29,804.71.

C 20 new cars were purchased at a net cost of \$11,419.34, after deducting \$12,217.14, allowance on 18 trade-ins.

K Includes payments of \$300 or over to the following: J. O. Allan, \$794.65; H. H. Anderson, \$542.11; A. T. Andrew, \$1,619.42; A. J. Andries, \$1,037.27; J. H. O. Armstrong, \$526.50; J. H. Ballantyne, \$552.72; M. Barker, \$335.20; W. D. Baskette, \$933.72; G. Beauchemin, \$1,491.44; J. E. Beaudry, \$1,097.19; N. Beaver, \$619.93; J. E. Bennett, \$994.57; F. J. Berrigan, \$1,008.96; A. W. Bett, \$1,831.17; G. C. Bishop, \$835.83; A. C. Blackwood, \$1,075.14; R. Blyth, \$662.12; C. R. Boast, \$922.19; G. Bonin, \$1,198.96; J. Bovaird, \$641.57; J. A. Boyer, \$422.68; E. Brassard, \$2,180.92; L. Brault, \$1,773.08; S. G. Bright, \$402.16; G. A. Brossard, \$1,301.34; E. L. Brown, \$1,219.11; O. Brunet, \$1,156.85; A. G. M. Bruyns, \$2,106; F. W. Buckle, \$442.21; P. J. Bullock, \$704.66; R. L. Burns, \$652.56; H. L. Caldwell, \$1,235.69; A. E. Cameron, \$426.07; M. L. Carey, \$613.75; R. B. Catt, \$1,567.51; M. Chagnon, \$530.75; C. H. Chapman, \$328.10; P. Charest, \$1,620.21; K. Chester, \$1,232.38; T. Childs, \$1,719.34; N. D. Christie, \$306.60; V. V. Christie, \$1,045.59; W. Clarkson, \$2,086.74; G. H. Collacutt, \$1,285.75; T. J. Cornish, \$1,695.88; J. N. L. Couture, \$476.08; H. W. Cowan, \$1,224.79; R. G. Cowie, \$1,282.54; H. W. Craig, \$569.33; W. T. Cumming, \$1,255.25; J. G. Davidson, \$700.08; W. B. Davidson, \$977.65; C. E. Derome, \$465.41; H. L. Dixon, \$1,446.91; W. J. Drennan, \$668.40; A. Dufresne, \$1,493.71; R. C. Duthie, \$1,306.67; C. L. Edwards, \$648.75; J. R. English, \$1,192.56; J. F. Evans, \$639.13; J. W. Fasken, \$1,106.61; L. H. Ferris, \$1,921.38; J. R. Fisher, \$1,252.37; B. C. Flook, \$935.73; H. L. Forbes, \$787.09; L. Fortier, \$313.20; R. G. Fox, \$1,230.03; J. W. Frank, \$885.01; J. R. Fulcher, \$1,617.27; J. G. Gagnon, \$1,860.28; H. Gauvin, \$872.28; A. B. Gibson, \$1,206.36; S. J. Gibson, \$473.03; R. T. Gilbert, \$1,362.19; S. L. Gilson, \$1,674.31; J. L. Gleason, \$968.41; E. W. Gray, \$2,231.59; C. A. Gregoire, \$973.59; D. Gruer, \$910.43; W. T. Harrison, \$327.22; E. N. Harrop, \$1,825.25; S. J. Haslett, \$1,911.50; H. G. Hebert, \$1,729.22; S. Herrick, \$320.33; J. W. Higginson, \$887.32; J. D. Hogan, \$1,293.20; H. N. Howell, \$665.74; R. Howlett, \$468.75; F. W. Hughes, \$1,291.70; P. Jacob, \$1,898.14; N. V. James, \$1,808.68; G. A. Jelly, \$1,779.09; G. S. Jermyn, \$592.34; E. Jobin, \$1,714.24; J. Johnstone, \$442.98; R. Julien, \$1,820.65; J. M. Kaine, \$569.73; N. R. Kee, \$564.36; J. J. Kelly, \$318.05; R. W. Kelly, \$1,937.30; S. H. Kesten, \$1,000.74; W. Kininmonth, \$506.26; H. E. Knapp, \$549.10; J. A. Labelle, \$770.60; G. Laberge, \$1,608.75; L. Laberge, \$1,023.69; B. Labrosse, \$1,627.78; J. O. Langevin, \$754.96; B. LaSalle, \$426.80; R. Laverdue, \$332.35; R. H. Lay, \$387.64; M. M. LeBlanc, \$1,652.36; F. Lefebvre,

\$674.52; J. H. G. Lefebvre, \$364.62; E. G. Lemieux, \$1,300.67; F. J. Leslie, \$943.71; H. Lord, \$479.10; A. C. Lundie, \$1,105.83; H. E. Macdonald, \$865.96; R. S. MacDonald, \$1,651.90; W. F. Macdougall, \$1,530.51; N. L. Mahaffy, \$1,483.10; E. G. Mandley, \$622.80; J. A. Marcil, \$1,409.92; A. W. McCaskill, \$1,446.85; R. J. McClenaghan, \$430.79; J. C. McConnell, \$1,175.78; W. A. S. McCracken, \$1,882.08; H. G. McDonald, \$974.54; W. J. McDonell, \$532.23; A. M. McFarlane, \$936.34; P. G. McKenzie, \$540.67; A. McLean, \$665.15; D. J. McLellan, \$367.92; V. Meilleur, \$1,460.09; F. Midwinter-Steane, \$1,336.64; R. J. Milner, \$1,145.55; W. F. Mitchell, \$321.44; A. R. Monroe, \$1,332.97; K. R. Moore, \$1,710.83; L. Moore, \$646.18; C. E. Morgan, \$1,026.61; E. S. Mousseau, \$531.46; W. Moynihan, \$798.69; G. P. Mullen, \$1,891.89; A. Murphy, \$469.50; H. W. Mustard, \$712.45; G. E. Myers, \$392.85; R. Nadeau, \$1,124.56; J. E. Nesbitt, \$925.90; E. S. Notting, \$1,142.02; R. B. O'Brien, \$1,517.40; R. Otis, \$1,499.41; P. J. Pascoe, \$790.59; G. R. Penhall, \$1,001.86; D. J. Perdue, \$1,492.65; N. H. Peter, \$1,043.47; G. E. Poirier, \$708.80; G. Porlier, \$510.05; G. Rankin, \$484.79; F. O. Read, \$427.50; C. E. Reekin, \$1,093.71; J. A. Ricard, \$1,664.33; A. E. Rice, \$496.60; C. H. Richardson, \$535.26; S. Riendeau, \$1,154.04; R. H. Rivington, \$1,418.12; G. Robert, \$1,223.53; D. M. Robertson, \$576.66; G. A. Roy, \$1,833.91; F. Rushton, \$711.66; F. F. Saint, \$775.57; E. Salisbury, \$1,459.46; A. L. Schaefer, \$1,589.53; C. C. Schilt, \$933.14; N. P. Schmidt, \$364.85; W. J. Scott, \$1,266.19; J. N. See, \$1,320.09; F. H. Sharp, \$1,099.09; J. S. Shepherdson, \$705.26; J. H. Shonyo, \$738.70; P. E. Simard, \$1,085.11; R. I. Sinclair, \$640.84; H. V. Skelding, \$1,992.76; C. A. Skuce, \$784.86; F. W. B. Smith, \$592.15; J. W. Smith, \$1,247.87; E. Sorel, \$1,189.14; W. Speirs, \$432.76; T. H. Spence, \$1,694.53; J. A. Stanford, \$1,076.98; J. Steen, \$503.63; A. Stobart, \$809.07; W. J. Stoneman, \$1,245.29; H. C. Storey, \$718.31; J. McL. Stuart, \$763.56; W. F. R. Stubbs, \$679.63; M. H. Taylor, \$315.39; W. Tennant, \$521.82; J. A. Theoret, \$1,233.25; J. H. Theoret, \$1,558.06; E. B. Thomas, \$1,410.76; D. W. Thompson, \$442.07; K. H. Thompson, \$654.42; W. R. Thompson, \$808.22; F. W. Towill, \$986.47; H. Troalen, \$1,655.22; H. Trudel, \$1,199.57; R. I. Twiss, \$1,577.04; H. M. Underwood, \$653.36; E. B. Ungar, \$302.99; P. Villeneuve, \$669.54; A. C. Wagner, \$1,021.57; S. L. Wall, \$1,134.75; H. J. Watt, \$1,189.01; A. J. Way, \$1,874.58; K. F. Wells, \$1,825.17; F. M. Wheatley, \$1,125.44; A. A. White, \$1,382.53; D. D. Wright, \$310.62; J. H. Wrightman, \$668.55; H. M. Young-husband, \$1,539.31.

Payments of \$5,000 or over were made to the following: Canada Representatives Limited, Toronto, \$5,465.92; Ketchum Manufacturing Co. Limited, \$15,473.95.

Vote 16 Compensation for animals slaughtered	530,000 00
Expenditures	358,404 18
Lapsed	\$ 171,595 82

Comments on Expenditures

Represents compensation to owners of cattle and other animals slaughtered in the control and eradication of contagious diseases, as provided in the Animal Contagious Diseases Act. The basis of compensation is two-thirds of the market value of the slaughtered animal as determined by a departmental inspector, but within certain limits stated in the Act.

The expenditure was distributed among the provinces in the following amounts: Nova Scotia, \$6,059; Prince Edward Island, \$718; New Brunswick, \$1,069; Quebec, \$90,821.36; Ontario, \$213,201.50; Manitoba, \$39,765; Saskatchewan, \$5,185; Alberta, \$785.32; British Columbia, \$800.

Vote 472 Payment of compensation to owners of animals affected with diseases coming under the operation of the Animal Contagious Diseases Act, which have died or have been slaughtered under circumstances unprovided for under the above Act and regulations thereunder, in the amounts detailed in the Estimates	297 31
Expenditures	\$ 297 31

	Estimates details	Expenditures
Arrelle, Arthur, Coaticook, Que.	26 66	26 66
Belval, Antonio, St. Theodore, d'Acton, Que.....	18 66	18 66
Bizier, Majorie, St. Methode, Que.	30 00	30 00
Doyon, Anisette, R. R. 4, Sherbrooke, Que.	30 00	30 00
Gagnon, Elisee, L'Avenir, Que.	24 00	24 00
Guillemette, Alberie, St. Valere de Bulstrode, Que.	20 00	20 00
Lachance, Napoleon, Victoriaville, Que.	32 00	32 00
Masson, Norbert, St. Edwidge, Que.	30 00	30 00
Paradis, Alfred, R. R. 5, Magog, Que.	26 66	26 66
Crane, Cecil, R. R. 1, Wilsonville, Ont.	22 00	22 00
De Galley, Eucher, Routledge, Man.	2 00	2 00
Josephson Bros., Sinclair, Man.	32 00	32 00
	<u>\$ 297 31</u>	<u>\$ 297 31</u>

Vote 17 Live Stock and Poultry **707,597 55**
Expenditures **679,521 39**

Lapsed **\$ 28,076 16**

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	325,760 00	330,760 00	328,668 77
B Buildings and Lands	1,000 00	3,200 00	3,194 03
C Equipment	52,636 55	56,636 55	54,520 25
D Freight, Express and Cartage	14,000 00	10,907 12	10,907 12
E Miscellaneous	2,000 00	1,650 00	917 22
F Printing and Stationery	16,500 00	20,142 88	16,951 38
G Prizes, Bonuses and Premiums	154,678 00	145,478 00	137,728 33
H Professional Services, including Legal Fees	500 00	500 00	217 25
I Rents	1,871 00	1,871 00	1,709 00
J Supplies and Materials	15,000 00	15,000 00	14,385 23
K Telephones, Telegrams and Postage	7,000 00	7,000 00	5,527 23
L Travelling Expenses	116,652 00	114,452 00	104,795 58
	<u>\$ 707,597 55</u>	<u>\$ 707,597 55</u>	<u>\$ 679,521 39</u>

Comments on Expenditures

A As of March 31, 1942, there were 175 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): T. Bodnar, \$2,520; S. Boily, \$3,540; C. Bouchard, \$2,520; J. G. Byers, \$3,360; A. H. O. Colbert, \$2,400; J. H. Coles, \$2,520; N. Curtis, \$3,240; A. J. Darbey, \$2,400; W. D. Davies, \$3,240; J. P. Fleury, \$2,880; S. G. Freeborn, \$2,760; J. W. Graham, \$2,880; W. L. Graham, \$2,760; S. D. Irvine, \$2,520; J. A. Kavanagh, \$2,640; J. H. King, \$2,520; J. G. Lefebvre, \$2,760; C. F. MacKenzie, \$2,520; A. A. MacMillan, \$3,660 (Jan. 4); A. P. MacVannel, \$3,660; J. McCallum, \$4,920; W. S. McMullen, \$3,120; J. Norquay, \$2,880; A. W. Peterson, \$4,140 (on loan to Wartime Prices and Trade Board from Jan. 1); E. F. Pineau, \$2,520; H. Pintal, \$2,520; F. G. Semple, \$2,760; J. A. Steele, \$2,520; J. A. Telfer, \$2,520; C. S. Wood, \$3,000 (May 26); R. W. Zavitz, \$3,480.

Wages of labourers and casual employees amounted to \$7,570.87.

C One new car was purchased for \$956.50.

Payments for bulls purchased under the Bull Loaning Policy amounted to \$40,174.

Payments for purchase of sows and expenses under the Brood Sow Policy amounted to \$13,195.03. Receipts from sales amounted to \$8,893.19.

Payments amounting to \$45,177.25 were made to The Canadian Fairbanks-Morse Co. Limited, for hog scales to be resold to producers of hogs, at cost, by authority of P.C. 1444, of Feb. 27, 1941. Expenses for freight, etc., amounted to \$438.18. Proceeds from sales amounted to \$45,180.69.

D Expenses in connection with the purchase of hogs for British Guiana exceeded the advance received for this purpose by \$249.74. This amount will appear in the revenue for 1942-43.

G Consists of the following groups of payments:—

Horse Breeders' Clubs, \$47,981.28 (Manitoba, \$15,918.25; Saskatchewan, \$23,099.32; Alberta, \$8,963.71). The Department pays 75 cents for every mare bred plus 25 per cent of the service cost on such mares as prove to be in foal plus \$1 for each registered pure bred mare in foal.

Grants to owners of Pure Bred Stallions, \$57,300.90 (Nova Scotia, \$1,665; Prince Edward Island, \$1,046.25; New Brunswick, \$2,085; Quebec, \$44,719.65; Ontario, \$7,140; British Columbia, \$645). These grants, which are shared with the provinces on an equal basis (the Dominion Government's share being reduced by 25 per cent for 1941-42), are based on the class of stallion and the number of mares left in foal.

Grants to Horse Breeding Stations, \$4,650. Proprietors of breeding stations must own or control three or more stallions. The basis of the grant is \$187.50 per stallion.

Premiums under Ram Club Policy, \$7,704. Under this policy ram clubs deposit with the Department stated amounts for rams. The Department purchases the animals and absorbs the differences in costs. Purchases amounted to \$14,838, deposits, \$7,134.

Prize Money, \$20,092.15 (shared jointly with the provinces)—Calf Feeding Competitions, \$14,010.56; Group Feeding Competitions, \$34; Bacon Litter Competitions, \$571.84; Boys' and Girls' Swine Clubs, \$2,350.90; Boys' and Girls' Lamb Clubs, \$300.83; Sheep Fairs, \$818.25; Poultry Fairs, \$746.27; Colt Shows, \$112.50; Foal Clubs (Ontario), \$302; Judging Competitions, \$845.

Many departmental live stock policies entail payments in the nature of grants to clubs, contributions to provinces and the absorption of losses in free or partially free distribution of live stock. All are made on ministerial authority by virtue of the item included in the vote and approved by Parliament for this class of assistance.

L Includes payments of \$300 or over to the following: W. A. Blackburn, \$1,591.80; A. C. Blaikie, \$442.30; A. L. Blenkhorn, \$1,385.78; T. Bodnar, \$878.84; S. Boily, \$1,366.71; C. Bouchard, \$970.43; S. L. Boulanger, \$1,021.04; W. Burdett, \$1,265.98; A. C. Burt, \$1,023.77; J. Byers, \$2,438.03; A. E. Caron, \$302.88; F. H. Ching, \$1,552.13; A. H. O. Colbert, \$965.77; J. H. Coles, \$1,593.82; A. C. Craft, \$1,429.35; N. Curtis, \$1,188.23; W. D. Davies, \$1,721.48; A. Desrosiers, \$1,296.24; J. P. Desy, \$1,260.06; T. W. Drever, \$1,134.85; H. Dumaine, \$1,702.95; F. Eaton, \$489.21; G. Egerton, \$448.50; A. R. Elvidge, \$367.46; J. H. Erb, \$1,134.21; S. J. Ferns, \$1,303.98; J. P. Fleury, \$818.97; S. G. Freeborn, \$1,531.08; B. F. Galbraith, \$1,322.63; G. Gamache, \$343.97; J. H. Girard, \$1,658.42; A. Goguen, \$1,513.08; J. A. Goode, \$901.81; J. W. Graham, \$1,199.60; C. M. Harvey, \$1,053.07; J. Harvie, \$1,078.10; H. Heon, \$1,288.35; S. D. Irvine, \$859.35; V. Juneau, \$426.15; A. J. C. Kelleher, \$548.69; F. King, \$345.20; G. A. M. King, \$322.05; J. H. King, \$663.26; R. J. E. Laberge, \$1,156.48; E. K. Laffamme, \$1,461.84; J. G. Lefebvre, \$910.49; L. D. Levesque, \$321.85; F. J. MacCharles, \$1,053.38; W. B. MacDonald, \$352.65; C. F. MacKenzie, \$2,225.24; A. A. MacMillan, \$1,418.67; A. P. MacVannel, \$554.10; G. A. Marcoux, \$1,283.85; J. M. McCallum, \$653.68; J. H. McConnell, \$1,511.42; W. E. McKim, \$1,094.65; Wm. McMorris, \$1,524.66; W. S. McMullen, \$1,241.24; E. C. McMurtrie, \$1,776.21; E. G. Mitchell, \$1,379.03; J. Murdoch, \$1,052.73; I. B. Noble, \$543.83; J. Norquay, \$874.21; A. W. Peterson, \$598.90; J. A. Philibert, \$333.96; E. F. Pineau, \$1,771.68; H. Pinal, \$1,042.11; G. F. Purser, \$361; H. D. Reid, \$1,549.70; L. W. Roper, \$1,428; C. E. Roy, \$301.95; G. K. Samis, \$1,292.37; J. Sangster, \$606.51; J. A. Semple, \$1,070.03; J. E. Sinnett, \$524.41; J. B. Smith, \$1,089.67; J. A. Steele, \$1,084.61; T. G. Stewart, \$1,255.67; G. A. Stratton, \$1,173.49; E. W. Stringam, \$693.40; J. E. Stuart, \$641.95; G. S. Tayler, \$440.26; C. E. Taylor, \$1,566.21; J. A. Telfer, \$2,018.57; B. Tetreault, \$529.66; R. H. Tomilson, \$434.48; H. E. Upton, \$1,177.40; J. Verret, \$351.55; G. C. Vincent, \$960.91; A. G. M. Watson, \$332.02; J. S. Westmoreland, \$455.24; J. D. Williams, \$704.87; W. E. Wiltshire, \$331.58; R. W. Zavitz, \$560.28.

Payment of \$7,312.83 was made to Ketchum Manufacturing Co. Ltd.

Audit Notes

Salary was paid for the whole of the fiscal year to one employee whose employment was not authorized in accordance with the regulations.

From the allotment G a cheque for \$105 was issued in error to a person not entitled thereto and the amount has not been recovered.

AUDITOR GENERAL'S REPORT

Vote 18 Plant Protection	255,873 00
Vote 416 Further amount required	8,500 00
	264,373 00
Expenditures	257,308 17
Lapsed	\$ 7,064 83

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	198,875 00	201,012 12	201,000 97
B Building and Lands	200 00	200 00	
C Equipment	5,000 00	6,262 88	4,764 46
D Express, Freight, Cartage	735 00	735 00	418 80
E Miscellaneous	440 00	440 00	288 80
F Printing and Stationery	8,000 00	5,000 00	4,166 79
G Rents and Taxes	751 00	751 00	685 01
H Supplies and Materials	4,045 00	6,045 00	3,863 21
I Telephones, Telegrams and Postage	2,190 00	2,290 00	2,237 08
J Travelling Expenses	44,137 00	41,637 00	39,883 05
	\$ 264,373 00	\$ 264,373 00	\$ 257,308 17

Comments on Expenditures

A As of March 31, 1942, there were 105 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: W. A. Fowler, \$2,880; W. N. Keenan, \$3,240; L. S. McLaine, \$4,500; H. A. V. Monro, \$2,520; H. F. Olds, \$2,880; S. G. Peppin, \$2,520; W. St. G. Ryan, \$2,880; R. W. Sheppard, \$2,520; J. Tucker, \$3,000; P. N. Vroom, \$2,520.

Wages of labourers and casual employees amounted to \$3,519.91.

C One new truck and one new car were purchased at a cost of \$2,540.63.

J Includes payments of \$300 or over to the following: B. Baribeau, \$778.32; P. J. G. Baribeau, \$954.80; N. Beaudoin, \$404.88; E. R. Bewell, \$695.92; W. Briggs, \$396.03; A. Charlebois, \$443.67; C. Copeland, \$672.13; H. A. Cox, \$702.33; W. A. Cumming, \$614.18; G. C. Cunningham, \$379.18; J. G. Ethier, \$841.93; A. Finnamore, \$357.35; W. A. Fowler, \$359.28; C. H. Godwin, \$683.64; F. W. Gregory, \$356.77; R. E. Helmer, \$348.52; F. J. Hudson, \$586.18; J. N. Hume, \$350.67; M. L. Jardine, \$374.66; W. L. Kemp, \$687.62; O. W. Lachaine, \$955.02; W. R. Lapp, \$467.23; R. C. Layton, \$434; L. P. Lebrun, \$742.16; E. R. W. Longmoore, \$584.35; R. S. MacGregor, \$336.26; H. S. MacLeod, \$307.50; J. W. Marritt, \$765.61; A. E. McCollom, \$508.26; W. K. McCulloch, \$325.65; W. McCullough, \$792.68; L. S. McLaine, \$860.13; H. L. McLaren, \$365.70; J. D. Michaud, \$330.31; D. L. Moore, \$507.77; H. F. Olds, \$690.94; S. G. Peppin, \$527.49; D. J. Petty, \$545.24; L. L. Reed, \$993.85; C. Rivard, \$875.59; C. E. Robison, \$327.83; W. G. Ross, \$340.55; W. St. G. Ryan, \$827.36; J. W. Scannell, \$424.86; R. W. Sheppard, \$344.43; D. Tanguay, \$427.76; D. W. Thorne, \$323.62; W. D. Touzeau, \$703.53; J. Tucker, \$468.94; F. B. Warnock, \$410.03; H. W. Whiteside, \$946.48; C. E. Wry, \$823.14.

Vote 19 Plant Products—Seeds, Feeds, Fertilizers, Insecticides and Fungicides Control, including grant of \$18,900 to Canadian Seed Growers' Association	521,642 00
Expenditures	495,129 41
Lapsed	\$ 26,512 59

	Estimates details	Allotments authorized	Expenditures
A Salaries	383,030 00	379,830 00	377,674 49
B Equipment	13,067 00	13,067 00	9,851 38
C Express, Freight and Cartage	1,800 00	2,007 66	2,007 66
D Grant to the Canadian Seed Growers Association	18,900 00	18,900 00	18,900 00
E Miscellaneous	5,040 00	5,032 34	3,799 01
F Printing and Stationery	14,000 00	14,000 00	10,206 02
G Professional Services, including Analysts' Fees and Legal Services	16,960 00	11,780 00	6,460 51
H Rents	735 00	915 00	915 00
I Subsidies	6,740 00	6,740 00	4,704 75
J Supplies and Materials	5,166 00	5,166 00	4,542 03
K Telephones, Telegrams and Postage	6,500 00	6,500 00	6,482 93
L Travelling Expenses	49,704 00	57,704 00	49,585 63
	<u>\$ 521,642 00</u>	<u>\$ 521,642 00</u>	<u>\$ 495,129 41</u>

Comments on Expenditures

A As of March 31, 1942, there were 229 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: L. Bell, \$2,520; L. W. Black, \$2,400; J. E. Blakeman, \$3,240; E. W. Brett, \$2,520; T. W. L. Burke, \$3,240; J. G. Clarke, \$2,880; J. A. Dawson, \$2,880; G. A. Elliott, \$3,180; B. F. Forward, \$3,120; F. E. Foulds, \$3,240; T. D. C. Hamilton, \$2,760; A. C. Heise, \$2,880; A. Hope, \$2,880; W. J. W. Lennox, \$3,240; N. G. Lewis, \$2,880; J. W. MacKay, \$3,240; C. V. Marshall, \$2,700; C. S. McCullough, \$2,520; G. W. Michael, \$2,520; J. C. Noble, \$2,880; P. M. Overholt, \$2,760; G. S. Peart, \$3,900; J. A. Pepin, \$2,880; E. Poisson, \$2,520; A. Potvin, \$2,700; R. H. Sibbitt, \$2,520; J. Simard, \$3,240; G. M. Stewart, \$3,240; C. Sweet, \$3,480; C. T. Tapp, \$2,880; C. A. Weir, \$2,520; S. White, \$2,520; W. R. White, \$3,660; W. H. Wright, \$4,140; N. Young, \$4,920.

B 7 new cars were purchased at a net cost of \$5,034.27, after deducting \$2,649 allowance on 4 trade-ins.

L Includes payments of \$300 or over to the following: A. Bartlett, \$411.19; A. Bayer, \$725.30; L. Bell, \$920.86; L. W. Black, \$1,183.74; J. E. Blakeman, \$469.75; S. A. Bowman, \$788.43; E. W. Brett, \$767.31; R. Broadfoot, \$747.88; A. N. L. Butler, \$819.45; A. M. W. Carter, \$644.59; J. G. Clark, \$449.14; T. H. Coltard, \$801.28; O. Crepeau, \$1,124.38; A. Dumais, \$866.39; J. B. Ferland, \$1,280.76; F. E. Foulds, \$616.64; A. G. Gilbert, \$1,050.07; G. B. Gilmour, \$1,231.90; L. B. Goodall, \$481.53; G. M. Gray, \$806.38; D. O. Hedlin, \$503.01; K. R. Hillier, \$474.58; A. Hope, \$316.80; R. Hurtubise, \$594.84; E. C. Jones, \$502.09; E. Lafresniere, \$1,079.12; A. A. Langlais, \$1,133.32; E. Lavoie, \$920.70; C. W. Leggatt, \$513.71; W. J. W. Lennox, \$326.58; J. W. MacKay, \$858.15; N. D. MacKenzie, \$650.62; G. MacMillan, \$690.33; B. C. McLean, \$547.34; J. G. McPharlin, \$467.15; A. McPherson, \$995.18; G. W. Michael, \$693.10; T. D. Moor, \$871.28; G. P. O'Keefe, \$467.80; C. L. S. Palmer, \$782.94; G. S. Peart, \$509.97; A. H. Phillips, \$875.15; E. J. Quail, \$848.57; L. L. Robertson, \$876.82; G. H. Robinson, \$698.23; R. T. F. Ross, \$763.79; W. G. Sallans, \$713.72; A. Seguin, \$1,044.26; J. Simard, \$1,192.66; A. A. Smith, \$1,200.34; D. Stewart, \$820.21; G. M. Stewart, \$563.42; G. R. Stretton, \$389.05; J. K. Swann, \$1,102.48; C. Sweet, \$532.81; R. L. Thomas, \$956.15; C. A. Weir, \$554.27; S. White, \$747.36; W. H. Wright, \$507.57; N. Young, \$742.96.

Audit Note

A duplicate payment of \$10, from allotment I, has not been recovered.

Vote 20 Grants to Fairs and Exhibitions, in the amounts detailed in the

Estimates	65,000 00
Expenditures	\$ 65,000 00

AUDITOR GENERAL'S REPORT

	Estimates details	Expenditures
Building Grants		
A Maritime Winter Fair, Amherst, N.S.	5,000 00	5,000 00
B Provincial Exhibition of Quebec, Quebec, P.Q.	15,000 00	15,000 00
C Royal Agricultural Winter Fair, Toronto, Ont.	35,000 00	35,000 00
D Vancouver Exhibition, Vancouver, B.C.	10,000 00	10,000 00
	<u>\$ 65,000 00</u>	<u>\$ 65,000 00</u>

Comments on Expenditures

A B D Each represents the third of ten annual instalments payable in accordance with agreements approved by the Governor in Council.

C Represents the fifteenth of twenty annual instalments authorized by The Royal Agricultural Winter Fair Association Act c. 9, 1927.

Vote 21 Grants to Agricultural organizations, in the amounts detailed in the Estimates	35,500 00
Expenditures	\$ 35,500 00

	Estimates details	Expenditures
Canadian Council on Boys' and Girls' Club Work	5,000 00	5,000 00
Advanced Registry Board for Dairy Bulls	4,500 00	4,500 00
Canadian National Live Stock Records	18,000 00	18,000 00
Advanced Registry Board for Swine	8,000 00	8,000 00
	<u>\$ 35,500 00</u>	<u>\$ 35,500 00</u>

Comments on Expenditures

These amounts were released for payment by Treasury Board Minute T.210135 B. of July 25, 1941.

MARKETING SERVICE

Vote 22—Marketing Service Administration	95,252 00
Expenditures	81,930 62
Lapsed	\$ 13,321 38

	Estimates details	Allotments authorized	Expenditures
A Salaries	71,515 00	71,515 00	69,677 80
B Equipment	1,000 00	1,000 00	
C Living Allowances	2,500 00	2,500 00	
D Miscellaneous	1,990 00	490 00	282 95
E Printing and Stationery	3,250 00	5,750 00	5,235 82
F Supplies and Materials	1,600 00	600 00	481 49
G Telephones, Telegrams and Postage	2,947 00	2,947 00	389 45
H Travelling Expenses	10,450 00	10,450 00	5,863 11
	<u>\$ 95,252 00</u>	<u>\$ 95,252 00</u>	<u>\$ 81,930 62</u>

Comments on Expenditures

A As of March 31, 1942, there were 40 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): A. M. Shaw, Director, \$8,500; W. Allen, \$5,760 (May 1); P. A. Cossman, \$2,760; E. Elliott, \$2,520; R. W. Neely, \$3,480; C. V. Parker, \$3,180, secretarial allowance, \$480 (charged to Vote 1); L. C. Pepper, \$3,180; A. W. Ryan, \$2,760; R. M. Scott, \$4,140.

C A living allowance is provided for the Agricultural Commissioner when in England; as he did not visit England during the year no allowance was paid.

H Includes payments of \$300 or over to the following: M. W. Cameron, \$553.03; E. Elliot, \$397.81; E. LeBlanc, \$1,777.79; L. C. Pepper, \$944.68; R. M. Scott, \$719.44; A. M. Shaw, \$334.67.

This allotment also includes a payment of \$500 to the widow of the Agricultural Commissioner to assist in the shipment of household effects from England to Canada, approved by T.208977 B. dated June 26, 1941.

Vote 23 Agricultural Economics	97,245 00
Expenditures	89,371 67
Lapsed	\$ 7,873 33

	Estimates details	Allotments authorized	Expenditures
A Salaries	73,065 00	72,065 00	66,917 36
B Equipment	3,140 00	3,140 00	2,925 30
C Miscellaneous	650 00	650 00	632 75
D Printing and Stationery	7,750 00	8,750 00	7,828 80
E Telephones, Telegrams and Postage	450 00	450 00	447 51
F Travelling Expenses	12,190 00	12,190 00	10,619 95
	\$ 97,245 00	\$ 97,245 00	\$ 89,371 67

Comments on Expenditures

A As of March 31, 1942, there were 34 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. F. Booth, \$5,220; W. F. Chown, \$3,180 (Feb. 1); J. Coke, \$4,140; C. M. Goddard, \$2,520 (May 25); A. Gosselin, \$3,660; H. R. Hare, \$3,180; W. C. Hopper, \$4,620; S. C. Hudson, \$2,700 (Oct. 9 noon, military leave); A. E. Richards, \$3,660; C. C. Spence, \$2,700.

F Includes payments of \$300 or over to the following: J. F. Booth, \$798.64; B. A. Campbell, \$306.30; J. Coke, \$529.34; L. Fortin, \$751.30; H. R. Hare, \$510.75; W. C. Hopper, \$525.18; H. L. Patterson, \$666.80; E. P. Reid, \$801.25; A. E. Richards, \$428.78; C. C. Spence, \$856.97; H. W. Trevor, \$1,196.85; A. H. Turner, \$959.22.

Travelling expenses in connection with the apple survey and research work in the Okanagan Valley of British Columbia amounted to \$1,286.33. The Provincial Government contributed \$1,000 to the cost of these operations.

Vote 24 Dairy Products	357,082 00
Vote 417 Further Amount Required	1,636 00

	358,718 00
Expenditures	357,961 16
Lapsed	\$ 756 84

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	276,334 00	276,376 97	276,376 97
B Equipment	750 00	2,850 00	2,742 22
C Express, Freight, Cartage and Refrigerator Car Service	7,536 00	7,536 00	7,450 64
D Living Allowances	1,800 00	1,800 00	1,703 24
E Materials and Supplies	3,000 00	2,779 94	2,732 34
F Miscellaneous	1,500 00	1,500 00	1,270 01
G Press Clippings	300 00	150 00	93 35
H Printing and Stationery	10,000 00	8,460 74	8,460 74
I Lawyers' and Analysts' Fees	3,700 00	1,026 00	1,026 00
J Rents	3,010 00	2,590 50	2,572 61
K Telephones, Telegrams and Postage	4,025 00	5,725 00	5,610 19
L Travelling Expenses	46,763 00	47,922 85	47,922 85
	\$ 358,718 00	\$ 358,718 00	\$ 357,961 16

Comments on Expenditures

A As of March 31, 1942, there were 129 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. Adair, \$2,520; H. S. Anderson, \$2,760; G. L. Art, \$2,580; G. Bain, \$2,640; D. M. Beattie, \$2,760; W. J. Beckett, \$2,880; G. A. Bourbeau, \$2,760; J. Bourbonnais, \$2,580; W. E. Brennan, \$2,580; S. P. Broby, \$2,760; J. Burgess, \$4,140; W. C. Cameron, \$3,660; R. J. Carleton, \$2,760; H. J. Crowe, \$2,880; J. O. Danis, \$2,880 (Oct. 11); W. J. Davies, \$2,640; H. A. Derby, \$3,480; D. B. Goodwillie, \$2,700; R. O. Hebert, \$2,760; J. H. Henderson, \$2,880; T. J. Hicks, \$3,240; S. R. Howe, \$2,640; J. L. Irwin, \$2,760; E. Johnson, \$2,400; J. Lefebvre, \$2,760; J. T. Lemay, \$2,580; E. W. Light, \$2,760; K. G. MacKay, \$3,240; R. M. MacLennan, \$2,760; J. U. Maher, \$2,880; H. A. Mason, \$2,760; J. A. McManus, \$2,880; D. Menzies, \$2,760; F. Monaghan, \$2,760; E. Quesnel, \$2,580; J. F. Singleton, \$5,220; R. P. Spencer, \$2,520; G. Thimens, \$2,760; H. M. Ward, \$2,760; O. H. J. White, \$2,760; L. H. Woodiwiss, \$2,400.

Wages of labourers and casual employees amounted to \$10,447.25.

C Includes payments for refrigerator car service covering icing charges on carlot shipments of butter, cheese and eggs from points in Prince Edward Island, Quebec and Ontario to Halifax, Quebec and Montreal and a guaranteed minimum rate on less than carload shipments of butter and eggs from points in the Gaspé Peninsula to Quebec and Montreal. Payments are made on ministerial authority.

D Consists of payments of living allowance to cargo inspectors while away from headquarters.

L Includes payments of \$300 or over to the following: J. Adair, \$364.27; H. S. Anderson, \$735.37; G. Bain, \$1,234.44; D. M. Beattie, \$1,456.88; W. J. Beckett, \$349.49; E. K. Bonnyman, \$612.10; A. Boulais, \$1,268.16; G. A. Bourbeau, \$3,318.22; J. Bourbonnais, \$647.44; W. E. Brennan, \$948.22; J. R. Burgess, \$874.79; A. Bussieres, \$440.54; W. C. Cameron, \$984.88; R. J. Carleton, \$385.28; J. E. Coxford, \$1,007.70; W. J. Davies, \$1,254.63; A. Demers, \$463.35; H. Desfosses, \$653.22; J. E. Dougall, \$1,076.56; C. P. Eutenier, \$443.23; M. Germain, \$1,575.74; D. B. Goodwillie, \$1,305.88; J. Z. Gosselin, \$751.86; T. J. Hicks, \$933.80; S. R. Howe, \$955.41; J. L. Irwin, \$722.57; C. R. Kennedy, \$1,225.85; R. Kerouack, \$1,090.96; L. Kirkland, \$1,075; E. E. LeBlanc, \$943.50; L. J. Levenick, \$883.28; E. W. Light, \$507.59; W. Macdonald, \$598.92; K. G. MacKay, \$903.54; J. A. McManus, \$379.31; E. B. MacRobie, \$1,383.08; J. U. Maher, \$890.38; H. A. Mason, \$559.20; S. Menard, \$1,006.80; C. A. Morrison, \$606.17; G. W. Parker, \$1,202.05; R. J. Quinn, \$1,289.47; J. F. Robinson, \$651.17; W. F. Rogerson, \$817.72; G. A. Schroer, \$957.78; N. J. Strynacka, \$1,157.85.

Vote 25 Subsidies for Cold Storage Warehouses under the Cold Storage Act, and Grants	114,864 64
Vote 473 Further amount required	12,332 48
	127,197 12
Expenditures	44,142 66
Lapsed	\$ 83,054 46

Subsidies	Estimates details	Allotments authorized	Expenditures
Central Creameries Ltd., Charlottetown, P.E.I.	920 11	920 11	920 11
Champion Brothers, Kensington, P.E.I.	240 00	240 00	240 00
Naramata Co-operative Growers Association, Naramata, B.C.	721 54	721 54	721 54
Haynes Co-operative Growers Association, Oliver, B.C.	258 28	258 28	258 28
Oliver Co-operative Association, Oliver, B.C.	889 45	889 45	889 45
Pyramid Co-operative Association, Penticton, B.C.	300 00	300 00	300 00
Summerland Co-operative Growers Association, Summerland, B.C.	219 51	219 51	219 51
Elgin Growers Co-operative, St. Thomas, Ont.	58 61	58 61	58 61

Subsidies	Estimates details	Allotments authorized	Expenditures
Oxford Fruit Co-operative Ltd., Woodstock, Ont.	314 00	314 00	314 00
Creston Co-operative Fruit Exchange, Creston, B.C.	595 70	595 70	595 70
Okanagan Valley Land Co., Okanagan Centre, B.C.	406 02	406 02	406 02
Moncton Cold and General Storage Ltd., Moncton, N.B.	1,916 84	1,916 84	1,916 84
Kent Fruit Growers Co-operative, Ltd., Blenheim, Ont.	1,008 00	1,008 00	1,008 00
Trenton Cold Storage Ltd., Trenton, Ont..	10,790 92	10,790 92	
Crown Fruit Company, Kelowna, B.C.	337 51	337 51	337 51
Keremeos Growers Co-operative Association, Keremeos, B.C.	3,150 00	3,150 00	3,090 50
Osoyoos Co-operative Fruit and Vegetable Growers, Osoyoos, B.C.	932 00	932 00	932 00
Kelowna Growers Exchange, Rutland, B.C...	4,239 93	4,239 93	2,422 82
Salmon Arm Farmers Exchange, Salmon Arm, B.C.	1,306 74	1,306 74	1,306 74
Turner, R. & Sons, Salmon Arm, B.C.	589 03	589 03	589 03
Summerland Co-operative Growers Association, Summerland, B.C.	1,040 00	1,040 00	1,040 00
Vancouver Ice and Cold Storage, Vancouver, B.C.	4,000 00	4,000 00	4,000 00
Howe Orchards Ltd., Vernon, B.C.	631 12	631 12	631 12
B.C. Fruit Shippers Ltd., West Summerland, B.C.	1,040 00	1,040 00	1,040 00
Moncton Cold and General Storage Ltd., Moncton, N.B.	3,175 90	3,175 90	3,117 38
Aldershot Distributing Co-operative Co. Ltd., Aldershot, Ont.	1,385 49	1,385 49	1,385 49
New Brunswick Apple Exchange, Frederic- ton, N.B.	2,860 13	2,860 13	972 84
Utilities Publiques Provinciales, Chicoutimi, Que.	2,275 00	2,275 00	2,249 04
Winnipeg Cold Storage Co., Ltd., Winnipeg, Man.	56,082 68	56,082 68	
Trenton Cold Storage Ltd., Trenton, Ont. ..	12,332 48	12,332 48	
	114,016 99	114,016 99	30,962 53
Grants			
Manitoba Cold Storage Co. Ltd., Winnipeg, Man.	12,059 74	12,059 74	12,059 74
Temiskaming Producers Co-operative, New Liskeard, Ont.	140 00	140 00	140 00
Kingston Cold Storage, Kingston, Ont.....	980 39	980 39	980 39
	\$ 127,197 12	\$ 127,197 12	\$ 44,142 66

Comments on Expenditures

Subsidies for cold storages are paid on the following basis:—

- (a) On completion of building 15 per cent of the amount expended in construction, refrigeration, etc.;
- (b) At the end of the first year thereafter 7 per cent of the said amount;
- (c) At the end of the second year thereafter 4 per cent of the said amount;
- (d) At the end of each of the two next succeeding years 2 per cent of the said amount.

Outstanding commitments for payments yet to be made for cold storages, on which initial or subsequent payments have been made, amount to \$28,972.52.

The following subsidies were not paid for reasons stated herein:—

Trenton Cold Storage Ltd., Trenton, Ont.—\$23,123.40—Construction not completed—amount re-voted in 1942-43.

Winnipeg Cold Storage Co. Ltd., Winnipeg, Man.—\$56,082.68—Construction not completed—amount re-voted in 1942-43.

Grants to the Manitoba Cold Storage Co. Ltd., Winnipeg, Man., \$12,059.74, the Temiskaming Producers Co-operative, New Liskeard, Ont., \$140, and the Kingston Cold Storage, Kingston, Ont., \$980.39, cover instalments in the same manner as subsidies are paid. These companies did not conform at the outset with the provisions of the Cold Storage Act, therefore payment by way of grant was authorized by the Appropriation Act.

Vote 26 Fruit, Vegetable and Maple Products and Honey, including	
grant of \$5,000 to Canadian Horticultural Council.....	527,110 00
Expenditures	525,362 95
Lapsed	\$ 1,747 05

	Estimates details	Allotments authorized	Expenditures
A Salaries	399,645 00	424,842 45	424,842 45
B Equipment	14,000 00	5,409 02	5,403 18
C Express and Freight	1,800 00	1,268 39	1,251 81
D Grant to the Canadian Horticultural Council	5,000 00	5,000 00	5,000 00
E Miscellaneous	2,088 00	1,286 47	1,243 52
F Printing and Stationery	20,000 00	17,805 95	17,805 95
G Professional Services	500 00	798 70	798 70
H Rents	777 00	777 00	772 50
I Supplies and Materials	1,500 00	556 04	522 88
J Telephones, Telegrams and Postage	8,800 00	8,800 00	8,495 97
K Travelling Expenses	73,000 00	60,565 98	59,225 99
	<u>\$ 527,110 00</u>	<u>\$ 527,110 00</u>	<u>\$ 525,362 95</u>

Comments on Expenditures

A As of March 31, 1942, there were 154 employees paid from this vote. In addition 199 seasonal employees were engaged during the year. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): F. R. Armstrong, \$2,520; C. Brooks, \$2,520; W. R. Butland, \$2,760; W. J. Coell, \$2,520; K. B. Conger, \$4,140; C. M. Craig, \$2,520; W. T. Fleet, \$2,520; C. W. Jackson, \$2,520; F. E. Loveday, \$3,660; S. B. Marshall, \$3,000; W. B. H. Marshall, \$3,000; J. McNiven, \$2,520; E. G. Paige, \$3,000; F. J. Perry, \$3,000; H. H. Ponton, \$3,000; W. Read, \$2,520; K. B. Robinson, \$2,400; R. E. Robinson, \$4,140 (on loan to Department of Munitions and Supply from Oct. 13); H. Scott, \$2,520; C. E. Shaw, \$2,520; C. T. Skinner, \$2,760; F. H. Steele, \$3,000 (Jan. 9); C. T. Stevenson, \$2,520; R. L. Wheeler, \$4,920; B. M. Whyte, \$3,000; E. H. Young, \$2,520.

B Represents the net cost of 9 cars after deducting \$5,046 allowance on 8 trade-ins.

K Includes payments of \$300 or over to the following: E. N. T. Arthur, \$495.11; J. J. Benn, \$463.51; D. J. Beveridge, \$556.42; J. A. Brand, \$452.02; F. A. Brydon, \$396.16; W. R. Butland, \$787.96; F. C. Chappell, \$785.47; P. W. Clement, \$581.61; W. J. Coell, \$349.22; W. Corp, \$340.08; G. L. Cox, \$519.80; C. M. Craig, \$306.15; J. H. Dawe, \$380.30; J. G. de Jong, \$648.60; J. R. Dill, \$789.83; C. E. Dionne, \$376.37; I. W. Douglas, \$457.57; D. H. Firth, \$502.99; W. T. Fleet, \$612.98; P. L. Ford, \$876.10; W. J. Furminger, \$451.91; W. F. Graham, \$721.39; J. Grant, \$403.05; F. W. Gray, \$995.84; C. W. Jackson, \$394.16; N. C. James, \$342.77; J. J. Johnson, \$804.41; W. H. Knight, \$345.70; A. W. Longley, \$565.07; H. G. Longley, \$345.70; R. Lounsbury, \$472.51; S. McFarlane, \$533.64; J. A. McNiven, \$927.92; H. Marshall, \$652.05; S. B. Marshall, \$1,060.76; O. L. May, \$808.16; W. H. Mizener, \$695.65; A. W. Murray, \$402.28; R. B. Neily, \$624.43; J. C. Paradis, \$595.15; F. J. Perry, \$436.47; H. H. Ponton, \$734.11; W. Read, \$409.20; B. Roberts,

\$683.65; R. E. Robinson, \$646.65; C. J. Rose, \$746.42; H. D. Sarsfield, \$322.92; H. Scott, \$642.80; A. M. Shaw, \$515.77; C. E. Shaw, \$490.94; H. W. Smith, \$1,025.63; H. M. Spencer, \$332.26; C. E. Spicer, \$373.38; L. V. Spinney, \$353.43; E. W. Stanley, \$644.42; W. T. Stanley, \$355.79; C. T. Stevenson, \$809.01; W. F. Strong, \$556.75; J. Tofani, \$623.66; E. V. Van de Water, \$853.20; R. R. Waddle, \$430.73; E. A. Walton, \$914.39; C. A. Webster, \$356.17; R. L. Wheeler, \$1,257.66; B. M. Whyte, \$1,114.30; H. G. Woodworth, \$459.64.

Audit Note

One employee was overpaid salary amounting to \$74.89 which was not recovered, according to the records of the Central Pay Office.

Vote 27 Live Stock and Live Stock Products	519,037 00
Vote 418 Further amount required	17,729 00
	536,766 00
Expenditures	530,592 45
Lapsed	\$ 6,173 55

	Estimates details	Allotments authorized	Expenditures
A Salaries	378,287 00	384,101 09	384,069 48
B Equipment	3,300 00	3,569 21	3,549 53
C Express, Freight and Cartage	2,325 00	1,725 00	1,555 73
D Living Allowances	1,200 00	1,200 00	1,035 96
E Miscellaneous	2,535 00	2,865 79	2,861 20
F Printing and Stationery	17,120 00	12,029 31	12,029 31
G Professional Services, including Legal Services	1,000 00	1,000 00	25 60
H Rents	7,411 00	7,411 00	6,524 20
I Supplies and Materials.....	3,700 00	2,700 00	2,489 24
J Telephones, Telegrams and Postage	15,800 00	18,000 00	17,560 59
K Travelling Expenses	104,088 00	102,164 60	98,891 61
	\$ 536,766 00	\$ 536,766 00	\$ 530,592 45

Comments on Expenditures

A As of March 31, 1942, there were 189 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): C. E. Bain, \$2,880; F. F. Baird, \$2,520; S. C. Barry, \$3,660; R. K. Bennett, \$2,700; E. D. Bonnyman, \$3,120; W. A. Brown, \$4,320; D. L. Browne, \$2,520; H. R. Bruce, \$2,700; F. H. Buker, \$2,520; M. V. Campbell, \$3,000; S. N. Chipman, \$2,880; H. W. Clay, \$2,520; C. L. Coulter, \$3,000; H. E. Craig, \$2,520; A. F. Curran, \$2,880; J. A. Deguire, \$2,520; H. C. Duff, \$2,520; W. G. Dunsmore, \$2,520; R. H. Ennismore, \$2,520; J. E. Fetherstonhaugh, \$2,520; G. W. Foster, \$2,520; H. W. Fraser, \$2,400; I. Garrison, \$2,520; J. F. George, \$2,520; J. F. Haggarty, \$2,520; L. Hancock, \$2,820; A. R. Hedgecoe, \$2,520; E. R. Hooley, \$2,520; E. J. Johns, \$2,520; W. Kerr, \$2,520; J. H. Kezar, \$2,520; R. L. Layton, \$2,520; P. E. Light, \$4,140; C. C. Lyster, \$3,000; D. A. MacKenzie, \$3,000; J. A. Marcoux, \$2,520; H. J. Maybee, \$3,240; R. F. McAuley, \$2,520 (Jan. 3); W. C. McConnell, \$2,520; A. C. McCulloch, \$2,880; D. A. McKinnon, \$2,520; W. J. McPherson, \$3,000; G. B. Miller, \$3,120; M. H. Miller, \$2,520; A. D. Munro, \$3,000; J. A. Paul, \$2,520; J. L. Pawley, \$2,880; L. W. Pearsall, \$4,320; A. Raymond, \$2,880; J. H. E. Rodrigue, \$2,520; E. Senn, \$2,580; S. W. Sheppard, \$2,700; R. A. Thompson, \$3,000; D. J. Williams, \$3,120; G. R. Wilson, \$2,520; W. R. Wood, \$3,000.

B Represents the net cost of 5 cars after deducting \$2,335 allowance on 4 trade-ins.

K Includes payments of \$300 or over to the following: T. J. Adam, \$1,384.02; H. J. Andrews, \$1,290.13; J. B. Arsenaault, \$733.39; F. F. Baird, \$1,136.32; S. C. Barry, \$1,133.08; R. G. Beatty, \$477.37; R. K. Bennett, \$1,023.37; E. D. Bonnyman, \$1,120.85; S. R. Bowell,

\$975.95; W. A. Brown, \$1,472.36; D. L. Browne, \$1,585.48; H. R. Bruce, \$1,395.71; F. H. Buker, \$960.45; J. P. Cain, \$1,005.24; J. M. Caldwell, \$394.30; M. V. Campbell, \$937.78; J. T. Charland, \$1,334.21; M. W. Chepesuik, \$400.31; H. W. Clay, \$379.22; H. Cochrane, \$464.87; D. Craig, \$858.90; W. B. Crawford, \$514.85; A. F. Curran, \$641.25; J. C. D'Aoust, \$660.27; A. F. Darnell, \$1,024.93; H. C. Duff, \$321.69; R. H. Ennismore, \$1,009.20; J. E. Fetherstonhaugh, \$319.15; J. M. Fisher, \$745.74; D. A. Fletcher, \$450.01; J. Fontaine, \$441.71; L. D. Forbes, \$1,157.72; H. L. Ford, \$341.10; G. W. Foster, \$708.80; H. W. Fraser, \$1,328.72; J. F. George, \$352.26; W. Hagger, \$954.06; J. F. Haggerty, \$610.17; L. Hancock, \$516.92; W. M. Hartley, \$753.35; A. R. Hedgecoe, \$418.09; J. W. Hedgecoe, \$761.66; N. Henault, \$1,658.59; E. A. Holland, \$642.53; E. R. Hooley, \$1,064.31; W. Kerr, \$452.63; G. Labissoniere, \$608.10; M. L. Lafontaine, \$338.15; J. A. LeHaye, \$1,032.92; R. G. Laing, \$1,039.58; L. A. Lalonde, \$833.09; C. C. Lyster, \$394.78; W. C. McConnell, \$2,502.22; A. C. McCulloch, \$659.46; J. M. MacGregor, \$1,323.82; A. R. MacKay, \$1,052.63; D. A. MacKenzie, \$672.13; D. A. McKinnon, \$424.13; C. M. MacMillan, \$622.21; D. MacMillan, \$649.82; W. J. McPherson, \$518.44; J. Mainville, \$418.26; L. J. Maltais, \$1,602.29; H. J. Maybee, \$1,175.06; G. B. Miller, \$1,906.87; J. Milligan, \$1,380.35; M. R. Mitchell, \$1,343.52; G. A. Moore, \$1,291.95; A. L. Morrison, \$1,348.86; B. A. Mowat, \$468.22; A. D. Munro, \$419.53; J. G. Murray, \$1,170.10; J. Napier, \$568.40; R. E. Nicoll, \$707.85; G. Parent, \$331.65; J. A. Paul, \$349.47; J. L. Pawley, \$547.30; L. W. Pearsall, \$724.47; L. Poulin, \$391.84; A. Raymond, \$1,298.49; E. J. Reedman, \$623.76; G. Rodrigue, \$551.46; C. E. Sampel, \$958.86; H. D. Scotchmer, \$393.44; E. Senn, \$596.14; C. R. Shackleton, \$332.58; S. W. Sheppard, \$614.18; D. Slone, \$489.46; A. V. Smith, \$888.09; E. V. Smith, \$808.08; J. C. Steele, \$969.30; H. L. Steves, \$599.94; F. A. Stewart, \$570.66; J. T. Stubington, \$874.86; R. A. Thompson, \$1,361; A. Thornfield, \$752.90; N. C. Tilker, \$1,441.39; R. C. Trimble, \$813.18; J. R. Turnbull, \$364.30; P. O. Van Sickle, \$882.70; W. Walker, \$1,398.83; H. Walsh, \$622.86; F. G. Ward, \$1,786.22; C. S. Weber, \$448.20; D. J. Williams, \$619.10; G. R. Wilson, \$552.26; W. R. Wood, \$488.11; R. H. Woodward, \$510.90.

Vote 28 Marketing of Agricultural Products, including temporary appointments that may be required to be made, notwithstanding anything contained in the Civil Service Act, the amount available for such appointments not to exceed \$13,000

	25,000 00
Expenditures	24,512 97
Lapsed	\$ 487 03

	Estimates details	Allotments authorized	Expenditures
A Temporary Assistance	13,000 00	13,085 00	12,815 01
B Marketing Projects, including Advertising	4,000 00	6,450 00	6,384 43
C Printing and Stationery	500 00	200 00	149 61
D Supplies and Materials	500 00	269 94	269 94
E Telephones, Telegrams and Postage	500 00	100 00	61 78
F Travelling Expenses	6,500 00	4,895 06	4,832 20
	\$ 25,000 00	\$ 25,000 00	\$ 24,512 97

Comments on Expenditures

- A As of March 31, 1942, there were 10 employees paid from this vote. The following was receiving an annual salary of \$2,400 or over on that date: W. M. Ritchie, \$3,000.
 F Includes payments of \$300 or over to the following: H. J. Anderson, \$357.41; L. K. Lockerby, \$463.40; W. M. Ritchie, \$1,044.79; J. Tucker, \$2,121.56.

SUPERANNUATION AND RETIREMENT BENEFITS

Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S. **\$ 5,460 00**

SPECIAL

Vote 29 Prairie Farm Rehabilitation Act and Water Storage **2,500,000 00**
Expenditures **2,406,503 29**
Lapsed **\$ 93,496 71**

	Allotments authorized	Expenditures
Headquarters Administration	105,000 00	99,783 48
Cultural Experiments and Research:		
Ottawa	31,330 00	29,362 24
University of Manitoba	12,170 00	7,896 81
Morden	3,800 00	3,799 84
Brandon	33,115 00	27,927 00
University of Saskatchewan	15,000 00	13,471 34
Saskatoon Forage Laboratory	4,065 00	3,982 24
Indian Head Farm	36,230 00	33,487 22
Indian Head Forest Nursery Station	30,065 00	23,346 84
Melfort	6,500 00	6,479 59
Sutherland Forest Nursery Station	11,000 00	10,218 60
Scott	20,160 00	19,085 54
Swift Current	96,110 00	95,632 97
University of Alberta	13,875 00	13,093 57
Lethbridge	42,495 00	42,370 35
Lacombe	12,035 00	11,492 34
Manyberries	7,050 00	7,048 27
	375,000 00	348,694 76
Land Utilization	795,000 00	774,368 44
Water Development and Storage	1,225,000 00	1,183,656 61
	<u>\$2,500,000 00</u>	<u>\$2,406,503 29</u>

The amount of the above vote was not subdivided in the Estimates; the allotments were authorized by the Treasury Board.

Comments on Expenditures

The distribution of expenditure by activity under the above allotments was:—

Headquarters Administration—

Ottawa administration	7,661 63
Regina administration	41,788 50
Economic surveys	44,035 49
Entomological surveys	6,297 86
	<u>\$ 99,783 48</u>

Cultural Experiments and Research—

Cultural publications and administration.....	11,883 83
District experiment sub-stations and reclamation surveys	138,255 47
Grass investigations, coverage and range surveys	41,386 13
Tree planting	32,715 44
Soils research and soil surveys	56,743 50
Agricultural Improvement Associations' soil drifting control, including horti- cultural development	43,446 95
Cultural work on irrigation projects	13,810 04
Live stock surveys and sheep development.....	10,453 40
	<u>\$ 348,694 76</u>

Land Utilization—

Administration	26,871	55
Community pastures: construction	330,191	84
Community pastures: management and operation.....	116,589	43
Purchase of land	62,310	06
Purchase of bulls	19,586	37
Re-establishment of settlers	33,918	11
Seed purchases and preparation of lands irrigated by large projects.....	132,307	28
Grass seeding of community pastures.....	52,593	80
	<u>\$ 774,368</u>	<u>44</u>

Water Development and Storage—

Administration	33,523	16
Small projects	493,931	83
Large projects	447,773	82
Water storage	104,095	68
Surveys	104,332	12
	<u>\$1,183,656</u>	<u>61</u>

Following is a statement showing the objects of expenditure under the various allotments:—

	Admin- istration	Cultural	Land Utilization	Water Development	Total
A Salaries and Wages....	73,805 48	188,132 26	405,064 88	325,236 12	992,238 74
B Travelling Expenses ..	16,647 39	33,209 84	38,606 87	107,064 89	195,528 99
C Postage, Telephones, etc.	272 93	3,139 40	4,277 89	5,878 50	13,568 72
D Equipment and Supplies	1,756 93	67,997 87	176,561 31	107,170 88	353,486 99
E Feeds		2,142 08	1,642 31		3,784 39
F Lands, Buildings, Works		10,500 76	108,036 29	582,961 79	701,498 84
G Printing and Stationery	6,213 41	6,795 01	1,807 25	4,481 61	19,297 28
H Legal Expenses			1,044 55	24 83	1,069 38
I Rents	531 80	33,638 47	5,464 01	37,586 63	77,220 91
J Freight	322 26	1,310 92	26,473 61	2,373 58	30,480 37
K Advertising		173 18	12 04	426 77	611 99
L Miscellaneous	233 28	1,654 97	5,377 43	10,451 01	17,716 69
	<u>\$99,783 48</u>	<u>\$348,694 76</u>	<u>\$774,368 44</u>	<u>\$1,183,656 61</u>	<u>\$2,406,503 29</u>

A Provision is made in the Act for appointment by the Minister of the necessary temporary officials and employees at rates approved by the Governor in Council. As of March 31, 1942, there were 208 employees paid from this vote whose positions had been specifically approved by Order in Council. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): G. Spence, Director of Rehabilitation, \$6,000; S. F. Arthur, \$3,780; C. D. Brown, \$2,400 (Feb. 18); H. R. Carscallen, \$2,760; W. P. Cheney, \$2,700; A. B. Cook, \$2,700; H. J. de Savigny, \$2,700; W. Dickson, \$2,499.96; J. L. Doughty, \$2,820; F. L. Evans, \$2,700; W. L. Foss, \$2,700; O. Freer, \$4,179.96; S. H. Hawkins, \$3,060; W. H. Holdsworth, \$2,640; W. L. Jacobson, \$3,000; G. L. MacKenzie, \$2,760; H. H. M. Mann, \$2,940; C. M. Moore, \$2,700; J. I. Mutchler, \$3,060; H. G. Riesen, \$2,700; B. N. Russell, \$4,020; S. F. Shields, \$2,400; E. J. Stephen, \$2,700; A. L. Stevenson, \$3,000; J. E. Switzer, \$2,700; V. E. Thierman, \$2,700; J. C. Todd, \$2,700; J. Vallance, \$4,500; W. Wotherspoon, \$2,700. In addition to employees appointed by Order in Council, whose salaries totalled \$402,919.46 for the year, casual labourers employed at prevailing rates under the various activities received wages amounting to \$589,319.28.

B Travelling expenses were incurred by engineering parties in their movements from place to place, by agricultural officials in the direction and inspection of various activities, and by other officials travelling on P.F.R.A. business. In this connection the following employees incurred expenses in excess of \$300: J. Achtzener, \$893.93; B. K. Acton, \$901.39; J. L. Anderson, \$1,014.02; R. H. Anderson, \$732.83; A. H. Archibald, \$462.10; E. S. Archibald,

\$777.24; W. V. Armbruster, \$596.98; H. C. Armstrong, \$933.39; J. E. Beamish, \$1,236.51; J. A. Bennett, \$484.34; C. H. Biddell, \$650.62; R. L. Bigg, \$904.89; W. G. Bock, \$1,442.35; J. L. Bolton, \$409.95; S. R. Boone, \$607.69; J. R. Bowring, \$356.67; W. E. Bowser, \$751.95; B. J. Brockman, \$734.57; H. C. Brown, \$968.08; R. C. Bryce, \$324.85; R. H. Bull, \$340.75; G. L. Burton, \$511.33; R. J. Cameron, \$1,757.39; J. B. Campbell, \$341.11; H. W. Carss, \$580.71; J. L. Carswell, \$922.63; H. N. Cavan, \$1,260.66; L. G. Chan, \$409.68; G. D. Chattaway, \$952.34; W. P. Cheney, \$1,780.87; H. Chester, \$407.95; S. E. Clarke, \$559.75; J. S. Clayton, \$609.78; R. C. Cleveland, \$350.77; R. L. Collins, \$354.50; A. B. Cook, \$596.30; W. H. Cram, \$764.06; D. Cramer, \$318.50; A. W. Daurie, \$1,987.06; G. Davidson, \$341.44; G. N. Denike, \$597.69; H. J. de Savigny, \$610.50; J. Dickie, \$656.52; B. Douglas, \$888.93; C. G. E. Downing, \$678.42; R. H. Dunlop, \$952.12; W. Eddy, \$3,059.30; W. A. Ehrlich, \$344; R. L. Erdman, \$372.17; L. Eull, \$1,254.70; F. L. Evans, \$1,722.90; K. G. Evans, \$593.93; R. S. Everall, \$340.70; T. S. Farquharson, \$612.75; C. W. Farstad, \$327.83; W. L. Foss, \$1,057.23; J. R. Foster, \$1,005.23; W. B. Fox, \$357.73; O. Freer, \$810.66; J. N. Galli, \$550.55; G. C. Gamey, \$1,421.57; G. G. Gibson, \$516; M. Gillespie, \$1,356.36; W. D. Gray, \$833.65; M. Greenberg, \$702.88; W. Hagarty, \$1,038.15; T. P. Hagerman, \$2,146.47; H. J. Hargrave, \$312.29; J. D. Harvie, \$537.99; S. H. Hawkins, \$913.51; W. D. Hay, \$836.95; D. H. Heinrichs, \$509.15; W. R. Hetherington, \$517.34; C. Hill, \$899.21; E. Hogan, \$1,360.72; J. G. S. Horsburgh, \$934.82; G. Hughes, \$408.89; S. G. Hummel, \$306.50; F. V. Humphreys, \$999.57; P. Hyndman, \$1,256.52; W. L. Jacobson, \$888.38; P. J. Janzen, \$920.95; W. K. Janzen, \$552.59; G. A. Johnson, \$302; J. C. Johnson, \$578.86; R. M. Johnson, \$385.45; V. B. Johnson, \$367.50; T. V. Kennedy, \$497.94; B. B. Kenney, \$934.39; K. M. King, \$602.09; W. J. Koche, \$772.78; N. W. Krug, \$461.47; C. E. Lacina, \$604.99; J. A. Lamb, \$546.46; S. H. Lane, \$704.10; W. L. Leavitt, \$472.46; R. K. Low, \$464.65; A. Ludwar, \$490; G. A. McCallum, \$986.89; E. V. McCurdy, \$584.82; J. McDougal, \$974.15; J. R. McFall, \$676.68; J. E. McGoey, \$781.20; S. M. McIver, \$481.85; A. S. McLeod, \$323.20; J. McLeod, \$852.82; H. McMahon, \$351.35; L. D. McMillan, \$1,656.19; J. G. S. McMorine, \$941.54; D. MacNaughton, \$735.23; M. Macleay, \$716.33; M. Mann, \$1,093.67; C. Mapes, \$515.67; H. J. Mather, \$583.84; W. Mitchell, \$1,617.12; C. J. Mohr, \$669.20; C. M. Moore, \$931.52; J. C. Moore, \$813.59; H. C. Moss, \$1,057.70; A. W. Murphy, \$1,487.38; J. I. Mutchler, \$2,221.15; S. Mysak, \$530.94; J. Nargang, \$332; E. Nixon, \$390.45; J. E. O'Connell, \$2,408.76; Wm. Odynsky, \$422.81; A. W. Ormiston, \$895.74; R. W. Ormiston, \$649.97; L. G. Orr, \$1,336.86; J. P. Osioy, \$415.75; J. P. Packota, \$304.50; R. H. Painter, \$463.28; O. Parker, \$1,503.41; R. F. Parker, \$388.75; W. R. Parkinson, \$485.50; D. A. Patterson, \$973.90; K. R. Pattison, \$329; L. C. Paul, \$316.32; M. J. Peace, \$322.65; R. W. Peake, \$407.53; J. Pendergast, \$1,619.22; R. Peterson, \$951.99; W. D. Porter, \$934.13; J. C. Poston, \$1,146.13; H. A. Purdy, \$480.80; W. W. Ramsay, \$1,155.24; E. J. Raymond, \$661.27; A. J. Reece, \$1,598.25; T. O. Riecken, \$602.20; H. G. Riesen, \$1,287.14; C. F. Ripley, \$415.45; O. E. Ruecker, \$467.15; B. Russell, \$1,374.44; E. C. Sackville, \$758.36; R. W. Salt, \$347.15; H. A. Scott, \$619.95; B. P. Scull, \$870.68; W. H. Shafer, \$545.96; J. D. Shepley, \$873.31; W. Shevkenek, \$461.41; S. F. Shields, \$1,605.97; I. Shienfeld, \$749.90; A. E. Sinclair, \$2,227.34; A. Skjenna, \$504.40; C. H. Slack, \$2,106.49; G. Spence, \$1,118.75; C. K. Statz, \$320.40; E. J. Stephen, \$1,475.79; P. C. Stobbe, \$432.19; J. F. Stone, \$393.90; I. W. Studer, \$323.51; R. A. Stutt, \$571.77; J. E. Switzer, \$999.11; V. E. Thierman, \$1,347.20; L. B. Thomson, \$1,079.99; W. B. Thomson, \$539.06; J. C. Todd, \$673.89; S. V. Tomecko, \$1,239.29; T. W. Townley-Smith, \$747.75; J. Vallance, \$749.26; C. W. Vrooman, \$1,094.74; R. M. Walker, \$1,944.77; J. G. Watson, \$307.71; J. W. Wayling, \$1,392.45; G. F. Webster, \$531.87; F. Weir, \$367.69; F. W. Widdifield, \$1,826.15; J. Wilner, \$677.40; J. Wilson, \$1,134.76; A. W. Wilton, \$445.87; J. E. Winter, \$529.15; E. O. Wood, \$717.06; W. Wotherspoon, \$523.18; R. Youngman, \$2,884.87; C. C. Zimmerman, \$325.67.

D In addition to numerous small pieces of equipment the following large units were purchased during the year: 11 sluice gates for the Duncain Dam, \$15,275; pumping station equipment, West Val Marie Irrigation Project, \$3,908.84; 3 diesel tractors, \$10,605; 5 other tractors, \$3,291.13; 2 scrapers, \$7,045; 4 combines, \$8,918.82. 33 passenger cars and 14 trucks were purchased at a net cost of \$38,570.53 after deducting trade-in allowances on 20 cars and 3 trucks. \$18,715 was paid for the purchase of 83 bulls for use in connection with community pastures.

F Payments of \$3,085 were made for purchases of buildings during the year. \$60,192.64 was paid for lands purchased, including payments totalling \$25,917.19 for lands in connection with the Maple Creek Flats Project and of \$15,075 for lands in connection with the Cypress Lake Storage Project. Several hundred small projects including dugouts, stockwatering dams and community dams were constructed. Several large projects were initiated or

completed under contract as follows (name of the contracting firm in brackets): Battle Creek Canal Enlargement (Gibbs Bros., Lumsden, Sask.), \$6,786; Battle River Weir (W. C. Wells, Regina), \$3,057.75; Canora Water Storage Project (Traub Construction Co., Regina), \$15,265.34; Dead Horse Creek Dam (Thode Bros. Ltd., Dundurn, Sask.), \$47,705.85; Duncairn Dam (W. B. Ramsay, Regina), \$37,757.21; Hartney Dam (William Newman, Winnipeg), \$10,206.25; LaSalle River Dams (William Newman), \$8,998; Round Lake and Crooked Lake Dams (Philip South, Regina), \$39,530; West Val Marie Irrigation Project (Poole Construction Co. Ltd., Regina), \$50,974.30; Wood River Timber Crib (George Smith, Maple Creek, Sask.), \$5,967.50; test drilling at Spring Coulee—St. Mary River (O. D. Bush, Calgary), \$7,347.38.

I This covers mainly the rentals of office space, land, and construction and land preparation equipment. A number of offices are occupied by engineers and others engaged in P.F.R.A. activity but the main expenditure in this connection was \$7,872.36 for rental of space in the McCallum Hill Building for the head office at Regina. For lands used as district experimental sub-stations 56 owners received a total of \$27,906 during the year. \$33,071.05 was paid for rentals of equipment used in the construction and development of large projects undertaken by the department.

In addition to aforementioned contractors the following individuals or firms received payments from this vote of \$5,000 or over: Alberta Livestock Associations, Calgary, \$10,385; The J. H. Ashdown Hardware Co. Ltd., Regina, \$8,816.73; Beaver Lumber Co. Ltd., \$8,966.98; British American Oil Co. Ltd., \$13,139.19; Canada Iron Foundries Ltd., Montreal, \$9,741.39; W. E. Clark, Mortlach, Sask., \$5,203.11; The Estate of John Dixon and the Estate of Isaac Chester Dixon, \$24,000; Ford Motor Co. of Canada, Ltd., \$19,959.59; R. J. Fyfe Equipment, Regina, \$19,692.61; The Hubbard Trading Co., Hubbard, Sask., \$5,079.90; Imperial Oil Ltd., \$16,790.66; Massey-Harris Co. Ltd., \$11,691.37; McCallum Hill Building Ltd., Regina, \$8,202.83; the Estate of James McKinnon Jr., \$15,075; National Light and Power Co. Ltd., Moose Jaw, \$7,888.24; The Albert Olson Co. Ltd., Regina, \$13,431.66; J. H. Speers & Co. Ltd., Saskatoon, \$5,082.59; Union Tractor & Harvester Co. Ltd., \$14,055.15; Mrs. Jessie Wade, Canuck, Sask., \$5,846.

Audit Note

By an amendment to the Prairie Farm Rehabilitation Act (Chapter 25, assented to June 14, 1941), the approval of the Governor in Council is required for projects on which payments exceed \$5,000 in any fiscal year. On certain projects undertaken on ministerial authority this limit has been exceeded. On others, approved by the Governor in Council, payments during the year exceeded the amounts specified in the authorizations.

Prairie Farm Assistance Act, C. 50, 1939—Amount transferred to meet the deficit in the Prairie Farm Emergency Fund \$11,848,362 14

Comments on Expenditures

The Act was put into operation to provide financial assistance to prairie farmers for losses sustained through adverse crop conditions. The amount awarded is based on, (1) the cultivated acreage of the farmer and, (2) the extent to which crops have suffered.

Part of the cost of assistance is derived from a levy of one per cent on all grain purchased by or through country elevators, grain dealers, licensed commission merchants, etc., and the proceeds for the year, \$1,832,380.73, were credited to the Prairie Farm Emergency Fund.

When the fund is insufficient to pay the awards the Minister of Finance is authorized, subject to the approval of the Governor in Council, to make an advance from unappropriated monies in the Consolidated Revenue Fund of the amount required to meet the deficit. Disbursements totalled \$13,680,742.87 creating a deficit of \$11,848,362.14 which was met by transfer from the Consolidated Revenue Fund.

480 townships in Saskatchewan and 208 in Alberta were declared to be crop failure areas, yielding five bushels or less per acre, and entitled to payments in accordance with Section 4 (2) of the Act.

The Emergency year provisions were applied to 1,111 townships as averaging more than eight but not over twelve bushels to the acre; to 888 townships as averaging more than four and not over eight bushels per acre and to 36 townships as having not more than four bushels per acre.

The expenditure was distributed by provinces as follows:

	Manitoba	Saskatchewan	Alberta
1941 Crop Year	27,765 56	10,799,955 66	2,379,147 48
1940 Crop Year	56,878 40	340,781 61	76,205 59
1939 Crop Year	19 00	2,629 38 Cr.	2,618 95
	<u>\$84,662 96</u>	<u>\$11,138,107 89</u>	<u>\$2,457,972.02</u>

Audit Note

At the close of the fiscal year a number of claims were still unsettled on account of the difficulty of deciding the eligibility of the applicants. Many of the applicants are also employed as field inspectors, school teachers, contractors, etc., and a complete investigation is required in each case to decide as to the primary occupation of the applicant, which, as required by the Regulations, must be that of farmer if the claim is to be considered as eligible.

Vote 30 Prairie Farm Assistance Act	500,000 00
Expenditures	422,459 67
Lapsed	\$ 77,540 33

	Allotments authorized	Expenditures
A Salaries	251,000 00	229,409 56
B Express, Freight and Cartage	1,000 00	600 47
C Miscellaneous	8,000 00	704 07
D Printing and Stationery	15,000 00	6,944 25
E Rents	4,000 00	3,880 18
F Supplies and Materials	1,000 00	
G Telephones, Telegrams and Postage	30,000 00	16,769 51
H Travel and Field Expenses	190,000 00	164,151 63
	<u>\$ 500,000 00</u>	<u>\$ 422,459 67</u>

The amount of the above vote was not subdivided in the Estimates; the allotments were authorized by Treasury Board.

Comments on Expenditures

A Under the Act, authority for appointments and rates of pay is vested in the Governor in Council.

As of March 31, 1942, there were 39 salaried employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): W. C. Barrie, \$3,200; E. L. Gray, \$4,500; A. R. Mackie, \$4,000 (Nov. 23); R. F. McGregor, \$3,200; J. C. Riddell, \$3,200; S. Sinclair, \$3,200. In addition to these, fieldmen were engaged at \$5 per day and clerks and typists at \$2.50 and \$3 per day during the year.

H Includes payments of \$300 or over to the following: J. W. Abbott, \$910.04; D. A. Adamson, \$399.98; A. L. Aitken, \$402.25; L. W. Alcock, \$834.26; W. G. Allcock, \$392.40; R. Allison, \$555.25; M. Alsager, \$822.12; W. E. Andrew, \$684.30; A. G. Andrews, \$514.68; F. P. Appleby, \$558.92; O. Bangsund, \$665.28; C. W. Banks, \$1,239.80; R. Barclay, \$923.96; W. Barrand, \$552.52; W. C. Barrie, \$787.23; W. J. Barrie, \$654.22; J. F. P. Barschel, \$466.58; G. H. Bartlett, \$1,185.56; N. G. Bastedo, \$815.28; A. J. Bater, \$718.53; W. O. Bates, \$1,212.50; M. W. Beaton, \$1,143.61; R. S. Beattie, \$2,077.76; A. P. Beausoleil, \$637.64; W. Beaven, \$1,178.14; E. Bedard, \$934.04; E. Belhumeur, \$957.19; A. M. Bell, \$562.96; G. A. Bell, \$2,030.59; J. Bell, \$527.17; E. Benjaminson, \$308.41; J. E. Bergey, \$671.71; N. W. Berglund, \$1,253.36; A. E. Bergquist, \$911.54; A. A. Bergum, \$340.68; J. L. Berry, \$604.72; G. H. Bigelow, \$828.19; A. S. Bissett, \$983.08; R. G. Black, \$318.90; T. E. Black, \$2,046.05; S. Boat, \$708.06; J. O. Bois, \$415.28; M. Bollinger, \$778.39; W. A. Boucher, \$497.73; S. M. Boyle, \$530.69; L. Braconnier, \$590.01; W. W. Bradley, \$2,127.20; W. Bradshaw, \$906.77;

P. H. Branigan, \$444.96; E. Brassard, \$504.74; A. J. Bravener, \$600.54; C. E. Brenchley, \$321.81; I. S. Bricker, \$498.34; W. E. Brown, \$430.50; W. R. Brown, \$806.59; G. C. Bruce, \$618.78; P. M. Buchinski, \$490.70; J. C. Bury, \$422.06; J. H. Campbell, \$871.59; J. S. Campbell, \$305.40; J. P. Carmody, \$637.23; M. F. Carpenter, \$2,203.25; A. E. F. Cary, \$409.04; W. C. Chapman, \$738.42; E. C. Chappell, \$328.65; M. Clancy, \$728.27; A. E. Clarke, \$1,089.77; C. Clarke, \$753.01; J. S. Clarke, \$499.74; O. C. Clarke, \$690.55; W. H. Clarke, \$995.87; A. B. Claypool, \$446.21; C. W. Cline, \$740.28; R. D. Coles, \$1,038.76; P. Colleaux, \$1,706.58; A. Collopy, \$512.23; P. C. Colquhoun, \$530.52; T. E. Colter, \$986.72; J. P. Connors, \$934.52; H. Cook, \$532.01; T. T. Cory, \$680.32; J. C. Cottrell, \$344.45; F. C. Courtney, \$331.83; J. Craig, \$722.45; P. L. Craigen, \$723.66; R. Creteau, \$685.47; S. L. Cuthbert, \$479.65; W. Czerwinski, \$878.34; N. B. Dahl, \$919.65; W. J. Davidson, \$1,205.18; E. E. Davies, \$677.85; J. Davies, \$707.01; N. Deaust, \$709.30; A. Dechene, \$336.49; O. Dechief, \$904.45; H. Delisle, \$713.81; C. Denis, \$595.02; A. Derr, \$557.58; C. Derryman, \$424.77; W. R. Dever, \$619.14; J. T. Dewan, \$831.22; J. W. Dick, \$580.61; C. Dixon, \$850.42; L. A. Doan, \$677.76; L. M. Dokken, \$798.05; F. J. Dowd, \$389.64; S. Drackley, \$578.80; W. S. Durning, \$747.86; J. G. Dusseault, \$467.21; G. Dustan, \$502.41; T. M. Eddy, \$489.30; B. H. Edwards, \$1,234.29; S. G. Edworthy, \$730.49; C. W. Elsom, \$443.19; A. A. Evans, \$513.22; L. Evenson, \$959.49; H. B. Eversole, \$313.89; E. S. Fagan, \$713.08; F. L. Farley, \$348; W. L. Faulkner, \$557.49; P. Ferguson, \$624.93; F. M. Findlay, \$2,484.61; J. Finlayson, \$458.61; A. C. Fisher, \$371.59; C. H. Fisher, \$323.89; J. L. Fisher, \$834.08; P. F. Fitzpatrick, \$1,722.87; A. L. Forrester, \$2,198.58; J. France, \$631.45; G. C. H. Frith, \$1,035.04; H. A. Fulcher, \$315.90; C. R. Fysh, \$754.77; F. W. Gaetz, \$985.81; J. Gair, \$711.61; W. S. Gale, \$895.31; D. Gallant, \$753.48; W. Garman, \$1,093.18; W. Gartly, \$579.58; D. M. Geddes, \$432.32; A. Gemmell, \$436.92; C. George, \$783.27; N. George, \$500.24; L. E. Gibson, \$840.99; W. Gibson, \$1,290.08; W. E. Gill, \$501.97; F. Z. Glebe, \$1,102.70; H. Gleeson, \$443.96; C. H. Goodman, \$379.48; J. A. Gordon, \$574.30; T. J. Gormican, \$691.16; W. G. Graefer, \$714.60; E. L. Gray, \$1,763.53; G. Gray, \$453.64; E. Greenwood, \$1,142.86; W. Greer, \$819.57; W. Grimes, \$1,055.94; C. Grunerud, \$585.01; J. C. Guy, \$449.21; J. J. Haas, \$966.62; J. H. Hackle, \$921.65; G. Halvorson, \$738.57; H. M. Hancy, \$481.76; J. M. Hanmore, \$533.68; G. Harkness, \$1,083.15; J. E. Harris, \$427.65; E. W. Hartle, \$1,507; A. V. Haslett, \$1,025.64; A. E. Hawker, \$676.44; W. Hawrelich, \$395.43; D. S. Hayden, \$442.45; A. H. Hayes, \$1,581.54; H. D. Head, \$1,024.56; J. D. Head, \$656.30; L. E. Helmer, \$798.02; C. V. Henderson, \$462.28; J. S. Henderson, \$652; H. T. Hennessy, \$778.98; D. Hennings, \$501.82; B. Hern, \$409.48; J. L. Hicks, \$1,345.51; S. O. Holden, \$652.86; R. J. Hollingsworth, \$509.10; M. A. Hoover, \$1,131.16; A. H. Hope, \$375.39; E. C. Hope, \$1,360.67; A. E. Hopkins, \$328.81; N. Hostetler, \$577.87; W. A. Houghtaling, \$884.65; W. D. House, \$791.88; N. W. Howse, \$707.30; A. Hudson, \$370.78; W. R. Hughes, \$503.75; F. Humphreys, \$652.39; O. R. Hunt, \$896.75; W. F. Hunter, \$400.66; H. T. Huot, \$654.37; A. R. Hutchison, \$392.16; J. M. Inman, \$565.06; J. H. Irving, \$1,384.30; B. T. Jaques, \$825.43; F. Jarvis, \$1,121.66; P. Jensen, \$653.58; P. R. Jeske, \$669.60; J. P. Johnson, \$895.92; P. H. Johnson, \$865.90; C. W. Johnston, \$573.20; J. K. Johnston, \$776.96; J. W. Jones, \$371.54; H. W. Joslin, \$1,178.36; A. J. Kaiser, \$719.65; T. J. Kelly, \$779.81; A. J. Kennedy, \$439.30; F. Kent, \$574.93; L. Kidd, \$803.42; A. E. Knight, \$889.60; J. N. Kozak, \$2,087.54; J. Kreen, \$821.17; H. W. Krienke, \$588.13; H. P. Kruesel, \$1,577.19; A. Landry, \$459.08; R. J. Langford, \$330.27; W. J. Langley, \$979.35; F. Langseth, \$1,628.16; P. C. Larson, \$715.65; B. Law, \$425.49; J. W. Leake, \$697.10; J. H. Leniczek, \$941.36; W. E. Leppington, \$599.36; W. A. Lesick, \$320.82; G. J. Lester, \$876.47; W. Lettner, \$769.84; R. Leyh, \$989.18; L. J. Lindberg, \$456.94; C. M. Lockwood, \$510.03; A. W. Loehr, \$1,199.10; P. J. Longworth, \$709.42; L. V. Lohr, \$433.94; H. Loken, \$999.02; C. Long, \$463.85; C. S. Lowrie, \$480.85; J. Macallister, \$1,590.27; W. McAllister, \$860.29; H. McAndie, \$782.73; C. McAree, \$1,799.28; G. McArthur, \$912.50; R. McCarthy, \$714.79; N. McClellan, \$398.72; J. E. McCune, \$360.51; F. S. McCutcheon, \$615.44; J. I. McDermott, \$1,267.95; K. McDonald, \$651.16; J. D. MacFarlane, \$733.17; R. F. McGibbon, \$1,694.06; R. F. McGregor, \$786.67; R. McIntosh, \$610.55; D. N. McIntyre, \$389.27; A. E. McKay, \$345.87; G. H. McKay, \$838.84; J. L. McKay, \$1,045.41; W. D. McKay, \$985.48; C. J. McKenzie, \$953.17; R. B. McKenzie, \$614.14; A. R. Mackie, \$688.17; R. McLaren, \$491.72; S. McLennan, \$578.52; D. MacLeod, \$586.69; J. A. McLeod, \$360.15; R. D. McLeod, \$1,212.18; C. W. McMillan, \$715.66; A. M. MacPherson, \$307.07; J. A. McQuoid, \$378.91; F. F. McRae, \$325.50; J. McRae, \$745.68; C. H. Magee, \$802.82; H. S. Magee, \$580.30; R. Magosie, \$2,111.67; F. E. Mann, \$1,272.79; E. Marjerison, \$458.63; H. J. Marko, \$818.21; J. Markowsky, \$703.92; E. Markwart, \$775.87; J. Marshall, \$552.67; J. E. Martin, \$597.82; W. T. Martin, \$1,166.23; J. Mather, \$360.28; W. Matthews, \$661.39; E. E. Maxwell, \$938.65; F. Mears, \$677.82; J. Meikle, \$701.29; J. Merinsky, \$987.48; H.

Merrill, \$616.41; A. H. Michel, \$1,621.57; T. Mikolash, \$310.84; P. Miloux, \$719.28; A. S. Mitchell, \$449.42; J. A. Mitchell, \$529.89; J. H. Mitchell, \$774.52; S. Mitchell, \$2,295.95; W. G. Mitchell, \$429.44; W. W. Mitchell, \$685.40; G. L. Moffat, \$863.56; S. Monaghan, \$1,420.51; N. H. Moon, \$1,076.80; J. I. Moore, \$646.14; W. A. Moore, \$435.93; J. Moreau, \$382.36; E. M. Morgan, \$900.75; J. E. Morgan, \$626.23; G. N. Morrison, \$1,047.67; E. F. Morton, \$858.49; M. Mostowy, \$423.40; A. Munn, \$663.27; S. L. Myers, \$687.57; J. A. Nadeau, \$1,408.98; L. Neary, \$789.08; G. W. Newell, \$1,456.16; P. F. Newhouse, \$458.79; H. Newman, \$480.62; W. Nicholson, \$710.50; C. K. Nickel, \$504.10; S. S. Niebeigall, \$694.23; W. G. H. Norrish, \$495.75; L. S. Nugent, \$789.43; W. M. O'Connor, \$460.18; G. R. Odegard, \$909.43; O. Olesen, \$666.62; D. F. Olynyk, \$456.28; J. E. Parkinson, \$867.02; H. Pearce, \$620.56; H. P. Pearson, \$845.37; R. Peel, \$1,617.76; G. Peters, \$635.58; G. T. Peterson, \$790.06; H. J. Peterson, \$390.95; F. J. Petrie, \$302.39; G. P. Phin, \$884.74; J. M. Podolsky, \$1,764.72; W. Poehlman, \$515.51; G. W. Pomeroy, \$301.03; A. R. Porter, \$708; H. Poss, \$1,213.85; J. B. Poulin, \$1,094.11; J. M. Powell, \$487.21; H. C. Powley, \$622.48; S. L. Preston, \$639.52; W. T. Pringle, \$1,567.35; G. W. Procuik, \$433.32; E. L. Prout, \$1,062.23; O. H. Quist, \$718.15; J. Ragan, \$1,367.83; J. B. Ramsay, \$663.25; E. Rankin, \$687.58; C. A. Receveur, \$360.96; A. L. Rees, \$417.07; J. J. Reid, \$593.15; E. Richards, \$336.82; F. J. Richardson, \$531.42; J. C. Riddell, \$438.42; J. W. Robb, \$878.48; H. L. Roberge, \$782.47; J. J. Roberts, \$538.72; G. H. Robertson, \$313.04; W. Robinson, \$788.30; A. D. Rodgers, \$709.36; D. E. Rose, \$2,010.76; J. G. Ross, \$794.13; N. D. Ross, \$917.15; R. H. Ross, \$868.84; R. N. Ross, \$948.65; L. H. S. Rowbotham, \$1,533.56; T. Rowles, \$655.48; E. L. Samis, \$817.47; E. Sampson, \$583.46; F. Sanderson, \$1,051.16; A. Sather, \$368.16; F. C. Saville, \$401.90; S. A. Sawyer, \$379.11; J. Schmidt, \$673.06; F. G. Schramm, \$680.97; J. J. Schwartz, \$664.61; E. D. Scott, \$334.65; R. A. Scott, \$1,135.63; W. R. Scott, \$419.35; M. Shannon, \$919.03; W. N. Shepherd, \$718.73; T. A. Shirkie, \$1,276.44; D. T. Simpson, \$349.49; S. Sinclair, \$834.65; J. Smith, \$413.28; L. Smith, \$1,106.93; A. Snow, \$804.42; F. W. Speak, \$305.77; A. G. Stacey, \$754.39; P. Stapleton, \$1,138.09; T. W. Stelfos, \$652.59; A. L. Stevenson, \$760.22; D. A. Stewart, \$1,248.29; W. J. Stewart, \$731.40; N. Stratyckuck, \$301.33; A. Suek, \$569.94; K. Sunderman, \$458.16; R. F. Swinton, \$1,588.38; J. F. Symington, \$680.38; A. Taylor, \$525.83; H. Theissing, \$554.67; J. Thiel, \$316.14; G. Thompson, \$328.06; H. P. Thompson, \$424.82; R. Thompson, \$336.82; D. Thomson, \$701.28; E. S. Tolton, \$1,197.52; A. A. Toohey, \$476.83; A. J. Toudy, \$394.39; L. L. Trippe, \$1,190.63; N. H. Trofananko, \$517.11; T. H. Truscott, \$957.05; V. H. Turple, \$593.67; C. Ulsifer, \$478.90; A. J. Vanceise, \$354.92; W. Van Oerle, \$572.72; P. M. Vawter, \$1,186.99; M. C. Verburg, \$981.65; E. A. Wagler, \$521.51; J. C. Wagner, \$544.75; H. W. Walker, \$1,268.37; A. W. Wallace, \$353.61; J. Walton, \$1,248.32; R. Ward, \$486.90; J. Warkentin, \$1,101.94; A. G. Warrington, \$324.03; E. G. Waterman, \$574.96; F. S. Watt, \$1,018.64; E. H. Waugh, \$477.33; J. W. Waugh, \$544.80; J. Webb, \$371.81; A. T. Webster, \$1,285.69; T. Webster, \$467.55; J. W. Welbourne, \$845.02; A. E. Wells, \$878.14; R. H. Whelan, \$461.73; W. T. Wherrett, \$552.07; J. T. Whitney, \$1,676.16; H. Whitson, \$664.08; W. Widdop, \$617.36; J. P. Wiebe, \$1,639.92; A. Wilson, \$339.38; R. A. Wilson, \$2,648.21; H. Wiltse, \$1,059.60; H. Wiltse, \$496.82; T. B. Wolff, \$556.48; H. J. Woodhouse, \$551.94; E. R. Wright, \$308.16; R. L. Wright, \$767.74; R. M. Wright, \$697.24; J. Wyber, \$911.93; I. Wylie, \$967.06; J. Young, \$306.66; E. Zahorski, \$1,967.72; L. R. Zurwoski, \$366.69.

Due to the interlocking nature of the administration of this Act with the Wheat Acreage Reduction and Prairie Farm Income programs, the foregoing details cover all three activities.

Balances of advances amounting to \$118.41 were unaccounted for at the close of the fiscal year.

Vote 31 Assistance to encourage the improvement of cheese and cheese factories	1,250,000 00
Vote 475 Further amount required	395,000 00
Vote 419 Further amount required	100,000 00
	1,745,000 00
Expenditures	1,676,366 56
Lapsed	\$ 68,633 44

	Allotments authorized	Expenditures
A Subsidies for Factory Improvement	250,000 00	181,519 33
B Premiums on High Quality Cheese	1,495,000 00	1,494,847 23
	<u>1,745,000 00</u>	<u>1,676,366 56</u>

Comments on Expenditures

Payments under this vote are authorized by the Cheese and Cheese Factory Improvement Act, chap. 13, 1939.

A Payments amounting to \$174,199.75 were made to the extent of 50 per cent of expenditures for enlarging, insulating and/or refrigerating existing factories. On the same basis, standardization of cheese presses amounted to \$7,319.58.

B Payments of one cent per pound on cheese scoring 93 points and two cents on cheese scoring 94 or more points.

The following is a distribution of the expenditure by Provinces, the number of factories participating being shown in brackets:

Enlarging, insulating and/or refrigerating: Quebec (231), \$131,609.13; Ontario (65), \$39,182.56; Alberta (6), \$3,408.06.

Standardization of cheese presses: New Brunswick (3), \$178.50; Prince Edward Island (1), \$92; Quebec (2), \$208.38; Ontario (72), \$6,840.70.

Premiums: Prince Edward Island (9), \$1,377.07; New Brunswick (9), \$2,441.39; Quebec (519), \$302,643.68; Ontario (622), \$1,159,488.81; Manitoba (16), \$10,964.69; Saskatchewan (7), \$1,087.52; Alberta (14), \$10,215.50; British Columbia (3), \$6,628.57.

Vote 32 Assistance for the replacement of maple production equipment	75,000 00
Expenditures	12,576 79
Lapsed	\$ 62,423 21
Quebec Department of Agriculture	\$ 12,576 79

Comments on Expenditures

An agreement was authorized between the Dominion and the Province of Quebec whereby they mutually undertook to assist producers of maple products in the Province in removing the causes of excessive lead content by replacing lead-contaminating sap buckets with others of approved material.

The arrangement provided for an equal contribution by the Dominion and the Province and the above expenditures represent the Dominion's share.

Vote 474 Science Service Buildings	13,000 00
Expenditures	12,991 07
Lapsed	\$ 8 93

	Allotment authorized	Expenditures
To complete construction	\$ 13,000 00	\$ 12,991 07

Comments on Expenditures

The construction of an addition to the Botanical Laboratory at the Central Experimental Farm, which was commenced in the previous year, was completed by Alex. I. Garvock, contractor, who received \$12,675; the balance comprises sundry small expenses.

Vote 422 *To provide for payments on reductions in wheat acreages, under conditions prescribed by the Governor in Council, for administration expenses in connection therewith, and for temporary appointments that may be required notwithstanding anything contained in the Civil Service Act*

Act	35,000,000 00
Expenditures	30,633,763 96
Lapsed	\$ 4,366,236 04

	Allotments authorized	Expenditures
A Personal Services	642,000 00	559,310 90
B Professional and Special Services	210,000 00	86,918 63
C Advertising and Publicity	15,000 00	7,024 36
D Express, Freight and Cartage	8,000 00	3,337 53
E Miscellaneous	35,000 00	1,793 37
F Printing and Stationery	40,000 00	32,721 71
G Rents	20,000 00	11,622 51
H Supplies and Materials	10,000 00	6,640 40
I Telephones, Telegrams and Postage	70,000 00	29,063 41
J Travel	350,000 00	241,102 23
K Wheat Acreage Reduction Payments	33,600,000 00	29,654,228 91
	<u>\$35,000,000 00</u>	<u>\$30,633,763 96</u>

The amount of the above vote was not subdivided in the Estimates; the allotments were authorized by Treasury Board.

Comments on Expenditures

191,291 claims were filed and 166,872 were completely and 17,569 partially paid in the fiscal year. Landlords' claims of \$90,684.27 had not been paid at the close of the fiscal year. A distribution by provinces is:

Province	Claims filed	Partial payments	Full payments	Amount paid
Alberta	62,010	4,716	52,926	8,547,435 52
Saskatchewan	98,941	10,510	87,444	14,776,155 95
Manitoba	30,340	2,343	26,502	3,475,452 00
	<u>191,291</u>	<u>17,569</u>	<u>166,872</u>	<u>\$26,799,043 47</u>

Payments to landlords were:

Province	Paid claims	Amount
Alberta	15,727	602,982 26
Saskatchewan	47,471	1,892,190 17
Manitoba	9,811	360,013 01
	<u>73,009</u>	<u>\$2,855,185 44</u>

A By virtue of regulations established for the operation of this program appointments and salaries of administrative and technical officers and employees receive the approval of the Governor in Council; field, clerical or other assistance may be engaged by the Minister but at rates of pay approved by the Governor in Council.

As of March 31, 1942, there were 86 salaried employees paid from this vote. No employee was receiving an annual salary of \$2,400 or over on that date. In addition to these, field-men were engaged at \$5 per day and clerks and typists at \$2.50 and \$3 per day during the year.

- B** Represents payments to Rural Municipalities, authorized by the Governor in Council, for assistance rendered in connection with the handling of application forms.
- J** Due to the fact that the organization provided for the administration of this program interlocks with that for the Prairie Farm Assistance Act, details of these expenditures are included with those for Vote 30.
- K** Regulations were established, with the approval of the Governor in Council, to provide for payments to encourage a reduction in the number of acres sown to wheat in 1941 in the Prairie Provinces and in the Peace River and Creston Districts of British Columbia.
- The basis on which payments are authorized is as follows:
- (a) \$4 per acre on land summerfallowed in 1941 in excess of the number of acres summerfallowed in 1940.
 - (b) \$2 per acre on land sown to coarse grains or grass or both in 1941 before July 1st, in excess of the number of acres in coarse grains or grass or both before July 1, 1940.
 - (c) \$2 per acre on land sown to rye or grass or both after July 31, 1941, in excess of the number of acres in rye or grass before July 1, 1940.
 - (d) An additional \$2 per acre in respect of any payment due under (a), (b), and (c) on land sown to grass or rye in 1941 and is in grass or rye on July 1, 1942, provided that such acreage in grass in 1942 is additional to the acreage in grass on July 1, 1940.

Expenditures include the sum of \$1,213,600.98 representing warrants outstanding at the close of the fiscal year; this amount has been transferred to an open account to provide for their subsequent redemption.

Administrative expenses of \$104,844.67 under the Prairie Farm Income Regulations are included in this vote by authority of P.C. 8126, dated October 22, 1941.

A payment of \$7,029.89 was made to J. J. Gibbons Ltd., for advertising and publicity.

Audit Notes

Salaries were paid to 2 employees whose employment was not authorized in accordance with the regulations.

The examination of records as to acreages seeded and summerfallowed disclosed that frequently such were unreliable, but wilful misrepresentation appeared to exist in isolated instances only.

Due to urgency, disbursements were made without complete verification of reports required to substantiate claims. This interim payment, as a rule 75 per cent of the claim, was ultimately found, in some instances, to exceed the total amount permissive. While adjustments and recoveries have been sought, final settlements have not been made in some cases.

A refund of \$32.45 was credited to allotment "K" in error on account of Prairie Farm Assistance awards.

AUDITOR GENERAL'S OFFICE

REVENUES

Casual Revenue—

	1941-42	1940-41
Refund of previous year's expenditure	\$ 40 34	

Certified correct.

R. S. GLASS,
Asst. Auditor General.

In accordance with the provisions of section 45 (1) of the Consolidated Revenue and Audit Act I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

APPROPRIATIONS AND EXPENDITURES

A total of \$471,060 was available for expenditure on account of the Auditor General's Office, of which \$455,790 was provided in the annual appropriation acts and \$15,270 was authorized by continuing statutory provisions. Expenditures were \$456,906.46 for the fiscal year 1941-42, an increase of \$4,192.76 over those of \$452,713.70 in 1940-41.

In addition, a total of \$169,950 was allotted to the Auditor General's Office from the War Appropriation. Expenditures thereunder, amounting to \$134,331.91, are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salary of the Auditor General— Consolidated Revenue and Audit Act, c. 27, 1931.....	15,000 00	15,000 00	
33	Salaries and Expenses of Office...	455,790 00	441,636 46	14,153 54

SUPERANNUATION AND RETIREMENT BENEFITS

Statutory	Gratuities to families of deceased employees, Civil Service Act, c 22, R.S.	270 00	270 00	
	Total Ordinary Expenditures....	\$ 471,060 00	\$ 456,906 46	\$ 14,153 54

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Salary of the Auditor General—Consolidated Revenue and Audit Act,
c. 27\$ 15,000 00

AUDITOR GENERAL'S REPORT

Comments on Expenditures

Salary of \$15,000 was paid to Watson Sellar.

Vote 33	Salaries and Expenses of the Auditor General's Office.....	455,790 00
	Expenditures	441,636 46
	Lapsed	\$ 14,153 54

	Estimates details	Allotments authorized	Expenditures
A Salaries	427,990 00	432,990 00	426,951 13
B Printing and Stationery.....	5,800 00	8,300 00	3,866 26
C Printing of Annual Report	7,000 00	4,500 00	4,184 87
D Travelling Expenses	13,000 00	8,000 00	6,011 86
E Sundries	2,000 00	2,000 00	622 34
	<u>\$ 455,790 00</u>	<u>\$ 455,790 00</u>	<u>\$ 441,636 46</u>

Comments on Expenditures

- A** As of March 31, 1942, there were 221 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): R. S. Glass, Assistant Auditor General, \$6,000; A. O. Adamson, \$4,260; C. J. Allan, \$4,320 (Sept. 12); H. R. Balls, \$2,760; T. Bowles, \$3,000; W. H. Casselman, \$4,320; S. E. Chapman, \$2,760; M. Clements, \$2,520; L. L. Coffin, \$3,240; N. H. Conley, \$3,720; E. S. Crowder, \$3,360; H. G. Crowley, \$3,240; H. de Jocas, \$3,360; C. H. Douglas, \$4,320; P. F. D. Ellis, \$3,000; G. O. Fortune, \$3,240; R. G. Hamlyn, \$4,260; J. Hopkinson, \$5,400; W. V. Howard, \$3,360; J. A. Johnstone, \$3,000; L. Kent, \$3,720; C. Kettles, \$2,400; B. R. King, \$4,080; D. A. MacDonald, \$2,520; N. R. MacLean, \$3,240; R. A. McLachlin, \$3,000; W. P. Moore, \$2,760; J. J. Nash, \$3,240; W. R. O'Loane, \$2,520; P. E. Pariseau, \$3,240; T. Parkinson, \$3,120; G. W. Patterson, \$2,520; W. O. M. Peaker, \$2,640; A. D. J. Powers, \$3,000; F. L. Price, \$3,720; S. Rettie, \$4,320; L. Richard, \$3,120; E. Rodriguez, \$3,720; F. L. Seddon, \$3,000; W. Simpson, \$2,520; H. Slasor, \$3,480; R. S. Sommerville, \$2,520; M. I. Stevenson, \$3,360; R. A. Strong, \$2,760.
- D** Travelling expenses in excess of \$300 were paid as follows: M. Clements, \$1,823.43; W. P. Reynolds, \$420.30; E. Rodriguez, \$931.10; D. A. Smith, \$343.71.

SUPERANNUATION AND RETIREMENT BENEFITS

Gratuities to families of deceased employees—Civil Service Act, c. 22, R.S.	270 00
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CHIEF ELECTORAL OFFICER

REVENUES

Casual Revenue—	1941-42	1940-41
Proceeds from sale of publications	75	
Fines and Forfeitures—		
By-Elections, 1941	1,000 00	
	<u>\$ 1,000 75</u>	<u></u>

Certified correct.

JULES CASTONGUAY,
Chief Electoral Officer.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Fines and Forfeitures—The amount of \$1,000 covers candidates' election deposits which were forfeited in 1941 By-Elections, as follows: Welland, \$200; Quebec East, \$200; St. Mary (Island of Montreal), \$400; Edmonton East, \$200.

APPROPRIATIONS AND EXPENDITURES

A total of \$282,699.70 was available for expenditure on account of the Office of the Chief Electoral Officer of which \$17,665 was provided in the annual appropriation acts, and \$265,034.70 was authorized by continuing statutory provisions. Expenditures were \$281,541.34 for the fiscal year 1941-42, a decrease of \$2,187,817.44 from those of \$2,469,358.78 in 1940-41.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salary of Chief Electoral Officer, c. 46, 1938	7,999 92	7,999 92	
Statutory	Dominion Plebiscite Act, c. 1, 1942	111,419 55	111,419 55	
Statutory	Expenses of Elections—Dominion Elections Act, c. 46, 1938.....	93,200 09	93,200 09	
Statutory	Expenses of Elections—Printing and Material, Dominion Elections Act, c. 46, 1938	52,415 14	52,415 14	
34	Salaries and Expenses of Office....	17,665 00	16,506 64	1,158 36
	Total Ordinary Expenditures	<u>\$ 282,699 70</u>	<u>\$ 281,541 34</u>	<u>\$ 1,158 36</u>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Salary of Chief Electoral Officer—Dominion Elections Act, c. 46, 1938. . \$ 7,999 92

Comments on Expenditures

The above mentioned Act provides that the Chief Electoral Officer shall be paid a salary of \$8,000 per annum. Jules Castonguay, Chief Electoral Officer, was paid \$7,999.92.

Expenses of Dominion Plebiscite Act, c. 1, 1942\$ **111,419 55**

Comments on Expenditures

Section 10 of the Dominion Plebiscite Act, 1942, provided that the expenses of and incidental to the carrying out of the provisions of the Act should be paid out of unappropriated moneys in the Consolidated Revenue Fund. In the Regulations, as passed by the Governor in Council pursuant to Sec. 9 of the Act, it was provided that the Auditor General should tax and pay all plebiscite expense accounts.

Expenditures were as follows: Salaries, \$2,323.69; cost of taking vote (to be detailed 1942-43), \$72,815.18; printing and stationery, \$34,726.40; postage, telegrams, telephone, etc., \$554.28; C. E. Bothwell, accountable advance for services rendered as legal adviser to the Chief Plebiscite Officer, \$1,000, authority granted under Treasury Board Minute T.220107B. Feb. 27, 1942.

As of Mar. 31, 1942, there were 27 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date.

Expenses of Elections—Dominion Elections Act, c. 46, 1938\$ **93,200 09**

Comments on Expenditures

The Dominion Elections Act, c. 46, 1938, Sec. 60 (3) provides that the fees, costs, allowances and expenses to be paid and allowed to returning officers and other persons employed at or with respect to elections, in accordance with the tariff approved by the Governor in Council, shall be paid out of any unappropriated moneys forming part of the Consolidated Revenue Fund. Sec. 61 (1) of the same Act provides that the Auditor General shall tax and pay all election expense accounts.

The expenditures above mentioned covered the following divisions of election accounts, viz.:—

(a) Payments on account of the General Election of 1940	2,745 85
(b) Payments on account of By-Election of 1940	327 35
(c) Payments on account of By-Election of 1941, Edmonton East	12,535 96
(d) Payments on account of By-Elections of 1942: Welland, \$21,131.78; York South, \$20,112.31; Quebec East, \$16,095.66; St. Mary, \$20,093.71	77,433 46
(e) General accounts	157 47
	<hr/> \$ 93,200 09 <hr/>

**Expenses of Elections—Printing and Material—Dominion Elections Act,
c. 46, 1938**\$ **52,415 14**

Comments on Expenditures

The Dominion Elections Act, c. 46, 1938, Secs. 60 (7) and 112 provides that any expenses incurred by the Chief Electoral Officer for printing election material and the purchase of election supplies shall be paid from the Consolidated Revenue Fund at any time after the Act has received Royal Assent.

Expenditures were as follows: Printing and stationery, \$51,021.74; Manufacturing and repairing mail bags, \$1,393.40.

Vote 34 Salaries and Expenses of Office	17,665 00
Expenditures	16,506 64
Lapsed	\$ 1,158 36

	Estimates details	Allotments authorized	Expenditures
A Salaries	15,165 00	16,065 00	15,829 23
B Printing and Stationery	1,000 00	700 00	262 94
C Travelling Expenses	300 00	100 00	
D Sundries	1,200 00	800 00	414 47
	<u>\$ 17,665 00</u>	<u>\$ 17,665 00</u>	<u>\$ 16,506 64</u>

Comments on Expenditures

Pender and West, Montreal, were paid \$177 for legal services under authority of Treasury Board Minute T.202571B, Feb. 5, 1942.

As of March 31, 1942, there were 8 employees paid from this vote. D. Stewart, Assistant Chief Electoral Officer, was receiving an annual salary of \$3,720 on that date and was the only employee receiving \$2,400 or over.

CIVIL SERVICE COMMISSION

REVENUES

Summary

	1941-42	1940-41
	Cr.	Dr.
Ordinary Revenue—		
Casual revenue	\$ 30 00	\$ 870 00

Certified correct.

C. H. BLAND,
Chairman,
Civil Service Commission.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Under the authority of section 5 of the Civil Service Act, Chapter 22, R.S. 1927, and section 15 (1) of the Civil Service Regulations, examination fees were discontinued because the supply of applicants is insufficient to meet the demand.

Audit Note

Casual revenue includes \$20 fines imposed on two candidates for impersonation at examinations.

APPROPRIATIONS AND EXPENDITURES

A total of \$425,900 was available for expenditure on account of the Civil Service Commission, of which \$406,900 was provided in the annual appropriation acts and \$18,999.96 was authorized by continuing statutory provisions. Expenditures were \$399,038.19 as compared with \$397,422.37 in 1940-41.

In addition, a total of \$242,000 was allotted to the Commission from the War Appropriation. Expenditures thereunder, amounting to \$235,733.66, are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salaries of Civil Service Commissioners, Civil Service Act, C.22, R.S.	18,999 96	18,999 96	
35	Salaries and Contingencies of the Commission	406,900 00	380,038 23	26,861 77
		\$ 425,899 96	\$ 399,038 19	\$ 26,861 77

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Salaries of Civil Service Commissioners, Civil Service Act, c. 22, R.S. \$ 18,999 96

Members of the Commission are paid at the following salary rates: C. H. Bland, \$6,999.96; A. Potvin, \$6,000; J. H. Stitt, \$6,000.

Vote 35 Salaries and Contingencies of the Commission\$ 406,900 00
Expenditures 380,038 23
Lapsed\$ 26,861 77

	Estimates details	Allotments authorized	Expenditures
A Salaries	351,900 00	348,900 00	346,207 77
B Cost of holding examinations.....	20,000 00	13,000 00	9,839 56
C Printing and Stationery	20,000 00	20,000 00	7,745 92
D Sundries including travelling expenses	15,000 00	25,000 00	16,244 98
	<u>\$ 406,900 00</u>	<u>\$ 406,900 00</u>	<u>\$ 380,038 23</u>

Comments on Expenditures

A As of March 31, 1942, there were 237 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): N. R. Boutin, \$4,020; G. A. Brown, \$3,000; S. J. Daley, \$4,020; M. L. Dumont, \$2,400; C. E. Garrett, \$4,020; G. H. Gilchrist, \$4,800; R. Gosselin, \$3,420; M. C. Guthrie, \$3,000; S. D. Hemsley, \$2,880; E. L. Inglis, \$2,400; G. T. Jackson, \$4,020; A. C. Kemmis, \$3,720; E. P. Laberge, \$3,720 (Jan. 21 transferred to Unemployment Commission); J. A. O. Lefebvre, \$3,360; G. McCann, \$2,520; H. R. McNaughton, \$3,720; C. R. Medland, \$3,720; L. W. Moffit, \$3,480; R. Morgan, \$4,020; M. Munro, \$2,760; S. G. Nelson, \$4,920; P. R. Powers, \$2,760; C. V. Putman, \$4,680; J. G. Reid, \$3,000; E. E. Saunders, \$4,200; E. W. Sibley, \$2,400; J. J. Siddall, \$2,400; A. Thivierge, \$4,020; H. E. Treble, \$2,640; R. M. Walker, \$3,000; D. M. Watters, \$2,520.

Three employees were receiving annual war duties supplements on March 31, as follows: R. K. Copeland, \$240; O. O'Connor, \$240; B. A. Southgate, \$180.

B The cost of holding examinations amounted to \$9,839.56. Fees of presiding and assisting examiners at \$10 and \$5 per day, respectively, were \$7,091.70; fees for marking papers, \$186.53; and rental of examination halls, janitor service, etc., \$2,064.39.

C Official publications cost \$258.20, printing \$3,865.06 and stationery \$3,622.66.

D Travelling expenses amounted to \$11,548.07. Names of officers whose travel expenses amounted to over \$300 follow: N. R. Boutin, \$585.67; S. J. Daley, \$995.16; C. E. Garrett, \$425.30; R. Gosselin, \$669.04; R. J. Groves, \$1,014.45; G. T. Jackson, \$345.75; G. H. Josie, \$315.56; J. A. O. Lefebvre, \$956.73; L. W. Moffit, \$1,870.91; S. G. Nelson, \$373.87; A. Potvin, \$377.76; P. R. Powers, \$1,018.01; J. C. Rutledge, \$473.06.

Sundry expenses were \$4,696.91. They include advertising \$1,408.45, and telegraph and telephone charges of \$1,492.08.

DEPARTMENT OF EXTERNAL AFFAIRS

REVENUES

Summary

Ordinary Revenue—	1941-42	1940-41
Casual Revenue	\$ 640,781 83	\$ 247,239 64

Revenues for 1941-42 show an increase of \$393,542.19 over those for 1940-41. Receipts of passport fees increased \$397,062.06, owing to the fee of \$1 being raised to \$3 for passports to the United States.

Casual Revenue—

Details

A Passport fees: Ottawa, \$431,108.78; Buenos Aires, \$6; Moncton, \$45,559; Tokyo, \$53; Vancouver, \$63,438.65; Washington, \$2,415.75; Windsor, \$105,979; total \$648,560.18, less refunds, \$11,427.08	637,133 10
B Visa fees: Ottawa, \$116; Buenos Aires, \$6; Tokyo, \$354; Vancouver, \$46; Victoria, \$2	524 00
C Refunds of previous year's expenditure.....	1,350 27
D Sundry receipts: Fee paid to F. Hudd for representation on the Imperial Communications Advisory Committee, \$1,666.25; premium on U. S. funds, \$108.21	1,774 46
	<u>\$ 640,781 83</u>

Certified correct.

N. A. ROBERTSON,
*Under-Secretary of State for
External Affairs.*

In accordance with the provisions of section 45 (1) of the Consolidated Revenue and Audit Act I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

- A** P.C. 995 of February 13, 1941, cancelled all previous regulations and stated that passports would be valid for two years and renewable for four further periods of two years each, and that the fees would be \$3 upon issue, and \$1 for each renewal, effective April 1, 1941. To cope with the great demand for passports, as the result of regulations of the United States Government requiring every Canadian citizen to present one before being allowed to enter the United States, branch offices are maintained at Moncton, N.B., Windsor, Ont., and Vancouver, B.C.
- B** The \$2 visa fee is authorized by P.C. 1460 of April 30, 1921.
- C** Refunds of previous year's expenditure were made as follows: P. Dupuy, transportation and entertainment, \$432.85; K. P. Kirkwood, balance of travel advance, \$257.21, balance on hand, Mar. 31, 1941, at Greenland Consulate, \$193.07; Pretoria, travel: Dr. H. Laureys, \$26.35, A. Brassard, \$47.37; Dublin, damage caused by soldiers, \$161.07; cost of shipping iron lungs to Canada, \$160.88; sundries, \$71.47.

APPROPRIATIONS AND EXPENDITURES

A total of \$1,094,297.34 was available for expenditure on account of the Department of External Affairs, of which \$1,054,596.68 was provided in the annual appropriation Acts, \$39,677.26 was authorized by continuing statutory provisions and \$23.40 was transferred from the annual appropriations for the Department of Finance. Expenditures were \$995,809.42 for the fiscal year 1941-42, an increase of \$32,442.54 as compared with those of \$963,366.88 in 1940-41.

In addition, a total of \$400,961.94 was allotted to the Department from the War Appropriation. Expenditures thereunder, amounting to \$384,224.38, are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
36	Departmental Administration	220,800 00	211,505 12	9,294 88
37	Representation Abroad — Including salaries of High Commissioners, Ministers Plenipotentiary, Consuls, Secretaries and Staff, notwithstanding anything to the contrary in the Civil Service Act or any of its amendments.....	593,000 00	532,278 36	60,721 64
38	Hospitality in connection with visitors from abroad	5,000 00	4,771 39	228 61
39	Expenses in connection with the negotiation of treaties	5,000 00	3,982 82	1,017 18
40	Publications of League of Nations for distribution to Members of Parliament and a grant to the League of Nations Society in Canada	3,000 00	2,328 75	671 25
41	Loss on exchange	97,000 00	96,270 24	729 76
42	A compromise payment in discharge of claim submitted by the Government of the United States of America on behalf of the late Robert Fulton Cutting, Executor of the Estate of McEvers Bayard Brown	3,836 68	3,836 68	
CANADA'S CONTRIBUTIONS TO MAINTENANCE OF EXTERNAL ORGANIZATIONS				
43	Expenses of the League of Nations for 1941, including Secretariat, International Labour Organization and Permanent Court of International Justice	120,330 00	97,463 26	22,866 74
44	Portion of expenditure of the Imperial Economic Committee and the Imperial Shipping Committee	4,675 00	1,718 98	2,956 02
45	Expenses of Wheat Advisory Committee for 1941, Canada's Assessment	1,955 00	1,953 16	1 84
PENSIONS AND OTHER BENEFITS				
Statutory	Annuity to the Honourable Philippe Roy, Appropriation Act. No. 4, c. 54, 1938	4,999 92	4,999 92	
INTERNATIONAL JOINT COMMISSION				
Statutory	Salaries and expenses of the Commission, c. 28, 1911.....	34,677 34	34,677 34	
GENERAL				
68	Unforeseen Expenses, \$80,000; transfer	23 40	23 40	
Total Ordinary Expenditures		\$1,094,297 34	\$ 995,809 42	\$ 98,487 92

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

AUDITOR GENERAL'S REPORT

Vote 36 Departmental Administration	220,800 00
Expenditures	211,505 12
Lapsed	\$ 9,294 88

	Estimates details	Allotments authorized	Expenditures
A Salaries	148,765 00	140,265 00	134,741 01
B Printing and Stationery	11,500 00	11,500 00	9,948 26
C Sundries	20,000 00	27,000 00	26,150 44
	<u>180,265 00</u>	<u>178,765 00</u>	<u>170,839 71</u>
<i>Passport Office</i>			
D Salaries	28,935 00	30,435 00	30,321 74
E Printing and Stationery	11,100 00	11,100 00	10,170 14
F Sundries	500 00	500 00	173 53
	<u>40,535 00</u>	<u>42,035 00</u>	<u>40,665 41</u>
	<u>\$ 220,800 00</u>	<u>\$ 220,800 00</u>	<u>\$ 211,505 12</u>

Comments on Expenditures

A As of March 31, 1942, there were 55 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): N. A. Robertson, Under-Secretary of State for External Affairs, \$10,000; L. Beaudry, \$6,960; P. A. Beaulieu, \$2,520; J. F. Boyce, \$3,720; R. Collins, \$2,520; C. C. Eberts, \$2,520 (Sept. 1. See also Vote 37); C. F. Fraser, \$2,520 (May 11); J. A. Gibson, \$2,640; A. L. Hall, \$2,400; H. L. Keenleyside, \$6,000; J. A. Leblanc, \$3,000; J. Ledger, \$2,520; J. S. MacDonald, \$6,000; K. A. McCloskey, \$3,720; M. McKenzie, \$2,400; A. J. Pick, \$2,520 (Sept. 1. See also Vote 37); J. W. Pickersgill, \$3,300 (See also Vote 248); S. F. Rae, \$2,520; J. E. Read, \$6,960; P. E. Renaud, \$4,580; A. Rive, \$4,580; P. Tremblay, \$2,520; J. R. M. Walker, \$3,000; M. H. Wershof, \$2,640.

C Includes travelling expenses of Rt. Hon. W. L. Mackenzie King, \$1,986.06; and removal expenses, L. B. Pearson, \$1,517.04, Escott Reid, \$611.08; also newspapers and publications, \$1,706.87; postage, \$673.58; taxi hire and cartage, \$788.46; telegrams, cables and telephones, \$16,540.82.

D As of March 31, 1942, there were 24 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date; J. J. Connolly, \$3,000; A. L. Cooper, \$2,400.

Vote 37 Representation abroad	593,000 00
Expenditures	532,278 36
Lapsed	\$ 60,721 64

	Estimates details	Allotments authorized	Expenditures
Commonwealth—			
A London	161,000 00	161,000 00	151,519 27
B Canberra	36,000 00	32,000 00	27,332 86
C Wellington	34,000 00	25,000 00	20,909 56
D Pretoria	36,000 00	28,000 00	23,104 84
E Dublin	34,000 00	27,000 00	24,512 05
F St. John's, Newfoundland		22,500 00	22,143 73
	<u>301,000 00</u>	<u>295,500 00</u>	<u>269,522 31</u>

	Estimates details	Allotments authorized	Expenditures
Foreign Countries—			
G Washington	105,000 00	120,000 00	115,823 62
H Paris	12,000 00	12,000 00	9,305 13
I Tokyo	59,000 00	44,000 00	32,211 44
J Brussels	5,000 00	5,000 00	4,944 96
K The Hague	5,000 00	5,000 00	4,607 46
L Buenos Aires	48,500 00	42,000 00	36,105 62
M Rio de Janeiro	48,500 00	60,500 00	52,032 34
N Consular Services	9,000 00	9,000 00	7,725 48
	292,000 00	297,500 00	262,756 05
	<u>\$ 593,000 00</u>	<u>\$ 593,000 00</u>	<u>\$ 532,278 36</u>

Comments on Expenditures

A As of March 31, 1942, there were 52 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): Rt. Hon. Vincent Massey, High Commissioner for Canada in the United Kingdom, \$12,000, allowance, \$26,700; P. M. Dearle, \$3,000; G. R. Gotts, \$2,400; E. J. MacLeod, \$3,720; L. Mayrand, \$3,420 (Oct. 23, transferred to Rio de Janeiro), allowance, \$2,025 (Sept. 30); G. L. McLennan, \$3,120; H. R. Patrick, \$3,000; L. B. Pearson, \$6,240, allowance, \$3,780 (May 12, recalled to Canada); C. S. A. Ritchie, \$3,420, allowance, \$1,350; J. S. Spence, \$3,300; A. J. Spire, \$2,400; A. Towler, \$2,400. Total payments for salaries amounted to \$123,172.43, including cost of living bonus, on the same basis as bonus paid by United Kingdom Government. Newspapers and publications cost \$755.43; postage, \$2,869.82; printing and stationery supplies, \$3,669.41; telegrams, cables and telephones, \$17,113.19.

B As of March 31, 1942, there were 5 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): High Commissioner for Canada in Australia, C. J. Burchell, \$7,500 (Aug. 31, appointed to Newfoundland), allowance, \$5,400 and car allowance, \$2,250 (July 31); Major-General Victor Odlum, \$7,500 (appointed Nov. 6), allowance, \$5,400, and car allowance, \$2,250 (paid from Jan. 7); E. B. Rogers, \$2,640, allowance, \$1,530 and special allowance at \$112.50 per month, while acting as High Commissioner (Aug. 1 to Jan. 6). C. J. Burchell received \$501.20 for travelling expenses and \$1,956.90 for removal expenses. Major-General V. Odlum was paid \$2,080.50 for travelling and removal expenses and an advance of \$603.67 which is unaccounted for, he also will refund \$322.20 for rent paid on his behalf. Rent of offices amounted to \$1,503.60; telegrams, cables and telephones, \$1,009.74.

C As of March 31, 1942, there were 3 employees paid from this allotment. W. A. Riddell, High Commissioner for Canada in New Zealand, was receiving on that date, annual salary of \$6,960, allowance, \$4,950, and car allowance, \$1,800. Travelling expenses of \$948.22 were paid for Dr. Riddell's two children (no Treasury Board authority). Rent of offices amounted to \$1,599.78, and telegrams, cables and telephones, \$658.53.

D As of March 31, 1942, there were 3 employees paid from this allotment. H. Laureys, High Commissioner for Canada in the Union of South Africa, was receiving on that date, annual salary of \$7,500, allowance, \$4,950, car allowance, \$1,800, and special allowance while resident in Cape Town, \$1,000; he also received \$701.70 for travelling expenses and an advance of \$490.60, which is to be refunded in 1942-43. Rent of offices cost \$1,659.12.

E As of March 31, 1942, there were 6 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: J. D. Kearney, High Commissioner for Canada in Ireland, \$7,500 (appointed July 31, 1941), allowance, \$5,400, and car allowance, \$1,800 (paid from Aug. 23); E. J. Garland, \$3,540, allowance, \$1,800, and special allowance at \$112.50 per month while acting as High Commissioner (Apr. 1 to Aug. 22). Treasury Board authority was not obtained for the following removal expense claims: J. D. Kearney, \$1,650.56; Mrs. J. Hall Kelly, \$420.08. Rent of offices, including heat and light, amounted to \$2,483.55.

- F** As of March 31, 1942, there were 5 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: C. J. Burchell, High Commissioner for Canada in Newfoundland, \$7,500 (appointed July 31, 1941, paid from Sept. 1), allowance, \$4,950, and car allowance, \$1,800 (paid from Sept. 11); A. J. Pick, \$2,520 (paid from Sept. 1), allowance, \$900 (paid from Sept. 11). Cost of living bonus of \$10 per month was paid from Oct. 1 to clerical staff receiving less than \$2,100. Removal expenses of \$1,527.46 were paid for C. J. Burchell. An automobile cost \$1,509.36, including transportation. Rent of offices, with heat and light, amounted to \$1,105.86, office furnishings, \$2,376.37, and telegrams, cables and telephones, \$1,632.55.
- G** As of March 31, 1942, there were 26 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: Hon. Leighton McCarthy, Envoy Extraordinary and Minister Plenipotentiary for Canada in the United States, \$10,000, allowance, \$10,450, and car allowance, \$1,900; H. Allard, \$3,420, allowance, \$2,612.50; B. Carter, \$2,580, allowance, \$456; J. A. Chappelaine, \$2,640, allowance, \$2,137.50; R. M. Macdonnell, \$3,420, allowance, \$2,612.50; M. M. Mahoney, \$6,480, allowance, \$4,085; E. Reid, \$4,020, allowance, \$2,612.50 (paid April 1 to 30, transferred to Ottawa); H. H. Wrong, \$6,960, allowance, \$4,275. Total payments for salaries amounted to \$95,236.25, including cost of living bonus of \$15 per month paid from Oct. 1 to clerical staff receiving less than \$2,580. L. C. Christie, Envoy Extraordinary and Minister Plenipotentiary, who was on sick leave with pay from February 24, 1941, at \$8,360, died on April 8 and salary was paid for the full month; a payment of \$1,393.32, equivalent to 2 months' salary of the deceased, was made to the widow (T.207000B. of May 9, 1941); a payment of \$1,104.34 for funeral expenses was also made (P.C. 2/7994 of Oct. 15, 1941). H. H. Wrong received \$309.60 for travelling expenses and \$207.90 for removal expenses; air travel to be refunded by National Defence Dept., \$217.50. Payments for fuel amounted to \$2,320.33; printing and stationery supplies, \$1,369.35; telegrams and telephones, \$4,782.02; exchange on United States funds, \$2,800.15.
- H** As of March 31, 1942, there were 4 employees paid from this allotment. Brig. G. P. Vanier, Envoy Extraordinary and Minister Plenipotentiary, was paid for 5 months to Aug. 31 at \$8,720. P. Dupuy is in charge of the office which was set up in London after the German invasion; this office looks after the interests of the Paris, Brussels and The Hague Legations.
- I** As of March 31, 1942, there were 5 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: E. D. McGreer, acting charge d'affaires in Japan, \$4,940, allowance, \$4,260; H. F. Feaver, \$3,420, allowance, \$1,350; E. H. Norman, \$2,520, allowance, \$1,575; T. A. Stone, \$3,720; C. M. Croft (Trade and Commerce Dept.) was paid allowance for 6 months to Sept. 30 at \$3,330. Owing to a state of war between Canada and Japan, no vouchers for office expenses were received after July, 1941.
- J K** As of March 31, 1942, there was one employee paid from these two allotments. P. Dupuy received salary of \$4,940, allowance, \$2,700, and a special charge d'affaires allowance of \$112.50 per month from Nov. 1, 1940.
- L** As of March 31, 1942, there were 6 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: Hon. W. F. A. Turgeon, Envoy Extraordinary and Minister Plenipotentiary for Canada in the Argentine Republic and the Republic of Chile, \$10,000 (paid from Sept. 25), allowance, \$9,500, and car allowance, \$2,850 (paid from Oct. 30); K. P. Kirkwood, \$4,580 (paid from Oct. 24), allowance, \$2,565 (paid from Oct. 30). Travelling and removal expenses were paid as follows: Hon. W. F. A. Turgeon, \$2,478.13; C. G. Sicotte, \$381.84. Expenses of a six weeks' trip to Chile of Hon. W. F. A. Turgeon, Mrs. Turgeon and C. G. Sicotte, amounted to \$1,264.50. Legation and office furnishings cost \$7,688.27 (no vouchers submitted for \$535.40); rent of offices, \$603.90; rent of furnished house for Minister, \$1,063.68; telegrams, cables and telephones, \$1,861. Payment of \$2,411.10 was made for an automobile, with \$507.90 for transportation and \$321.09, exchange on United States funds.
- M** As of March 31, 1942, there were 7 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. Desy, Envoy Extraordinary and Minister Plenipotentiary for Canada in Brazil, \$8,720, allowance, \$9,500, and car allowance, \$2,850 (paid from Sept. 10); R. A. Ford, \$2,520 (paid from Sept. 1), allowance, \$1,187.50 (paid from Sept. 10); K. P. Kirkwood, \$4,580 (paid Sept. 1 to Oct. 23, transferred to Buenos Aires), allowance, \$2,327.50

{paid Sept. 10 to Oct. 23); L. Mayrand, \$3,420 (paid from Oct. 24), allowance, \$2,327.50 (paid from Nov. 10). Travelling and removal expenses were paid as follows: J. Desy, \$1,317.67; P. Dumas, \$298.59; K. P. Kirkwood, \$436.37; R. A. Ford, \$434.85; L. Mayrand, \$2,162.55. Rent of house and summer home for Minister amounted to \$2,776 and furnishings for Minister's residence, \$12,599.50. Rent of offices cost \$1,768.95; stationery and office supplies, \$2,079.52; telegrams, cables and telephones, \$3,232.63.

N As of March 31, 1942, there was 1 employee paid from this allotment. M. J. Dunbar was appointed vice consul at \$2,000 on Sept. 15 with allowance at \$500 (paid from Oct. 20); K. P. Kirkwood was paid at \$4,580 to Aug. 31 when he was transferred to Rio de Janeiro; A. E. Porsild received an allowance at \$500 from June 25 to Dec. 8. K. P. Kirkwood accounted for \$189.79 of his outstanding travel advance of 1940-41, the balance, \$257.21 was refunded to Casual Revenue. Of consular expenditure outstanding in 1940-41, \$2,412.96 was accounted for and \$193.07 refunded to Casual Revenue. At March 31, 1942, 878.08 kronen were unaccounted for. Cost of construction of consular building, paid during 1940-41 and 1941-42, amounted to \$1,390.10, less sale of building materials, \$249.27. M. J. Dunbar has an outstanding advance of \$30.

Vote 38	Hospitality in connection with visitors from abroad	5,000 00
	Expenditures	4,771 39
	Lapsed	\$ 228 61

Vote 39	Expenses in connection with the negotiation of Treaties	5,000 00
	Expenditures	3,982 82
	Lapsed	\$ 1,017 18

Comments on Expenditures

Includes travelling expenses of Dr. C. F. Wilson (Trade and Commerce Dept.), \$1,913.34 and printing and stationery, \$1,293.84.

Vote 40	Publications of League of Nations for Distribution to Members of Parliament and a grant to the League of Nations Society in Canada	3,000 00
	Expenditures	2,328 75
	Lapsed	\$ 671 25

Comments on Expenditures

A grant of \$2,328.75 was made to the League of Nations Society in Canada. There was no expenditure for publications.

Vote 41	Amount required to meet loss on Exchange	97,000 00
	Expenditures	96,270 24
	Lapsed	\$ 729 76

Comments on Expenditures

Loss on exchange on Canada's contribution to the League of Nations for 1941 of 713,963.40 Swiss francs amounted to \$86,792.84; loss on exchange on contribution to Wheat Advisory Committee was \$1,713.93.

Payments to cover loss on exchange on salaries and allowances of government employees at Washington, where the Canadian dollar is depreciated by more than ten per cent, \$6,716.14 (P.C. 8/608 of March 24, 1938).

Payments to cover loss on exchange, incurred by the following employees, in trying to keep in contact with the Belgian Government during the German invasion: Jean Desy, \$765; P. E. Renaud, \$282.33 (P.C. 22/7305 of Sept. 17, 1941).

AUDITOR GENERAL'S REPORT

Vote 42	<i>A compromise payment in discharge of claim submitted by the government of the United States of America on behalf of the late Robert Fulton Cutting, Executor of the Estate of McEvers Bayard Brown</i>	3,836 68
	Expenditures	3,836 68

CANADA'S CONTRIBUTIONS TO MAINTENANCE
OF EXTERNAL ORGANIZATIONS

Vote 43	<i>Expenses of the League of Nations for 1941, including Secretariat, International Labour Organization and Permanent Court of International Justice</i>	120,330 00
	Expenditures	97,463 26
	Lapsed	\$ 22,866 74

Comments on Expenditures

Canada's contribution for the year 1941 was 713,963.40 Swiss francs.

Vote 44	<i>Portion of Expenditure of the Imperial Economic Committee and the Imperial Shipping Committee.....</i>	4,675 00
	Expenditures	1,718 98
	Lapsed	\$ 2,956 02

Comments on Expenditures

Contribution to the Imperial Economic Committee was £352-0-0; to the Imperial Shipping Committee £32-0-0.

Vote 45	<i>Expenses of Wheat Advisory Committee for 1941, Canada's Assessment</i>	1,955 00
	Expenditures	1,953 16
	Lapsed	\$ 1 84

PENSIONS AND OTHER BENEFITS

Annuity to the Honourable Philippe Roy, Appropriation Act No. 4, c. 54, 1938	\$ 4,999 92
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INTERNATIONAL JOINT COMMISSION

Salaries and Expenses of the Commission, c. 28, 1911.....	\$ 34,677 34
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Comments on Expenditures

As of March 31, 1942, salaries were paid to 2 commissioners and 3 employees. The following were receiving annual salaries of \$2,400 or over on that date: Hon. Chas. Stewart, chairman, \$7,500; Hon. J. E. Perrault, K.C., commissioner, \$7,500; L. J. Burpee, secretary, \$4,620.

Travelling expenses were paid as follows: L. J. Burpee, \$882.91; J. L. Montgomery, \$943.77; Hon. J. E. Perrault, \$787.90; Hon. Chas. Stewart, \$1,267.31; E. M. Sutherland, \$521.86; E. C. Young, reporter, \$464.40.

The Department of Public Works received \$3,432.12 for rent of offices and \$99.36 for telephone service; the cost of reporting hearings was \$1,324.65.

GENERAL

Vote 68	Unforeseen Expenses, \$80,000, transfer	\$ 23 40
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Comments on Expenditures

Cost of a wreath sent on occasion of the death of President Roosevelt's mother in September, 1941.

DEPARTMENT OF FINANCE

REVENUES

Summary

	1941-42	1940-41
Ordinary Revenue		
Chartered Banks—Note Circulation Tax	786,482 59	898,326 33
Insurance Companies—Tax on Net Premiums.....	1,148,207 01	971,365 82
Trust and Loan Companies—Tax on Interest and Income	158 71	
Interest on Investments	21,748,700 65	14,910,554 41
Premium, Discount and Exchange	11,855,510 31	6,107,026 77
Casual Revenue	8,578,744 57	8,895,075 16
Fines and Forfeitures	4,198 74	1,339 09
	<u>44,122,002 58</u>	<u>31,783,687 58</u>
Special Receipts	4,574,759 43	6,936,414 32
	<u><u>\$48,696,762 01</u></u>	<u><u>\$38,720,101 90</u></u>

Details

A Chartered Banks—Note Circulation Tax	786,482 59
B Insurance Companies—Tax on Net Premiums.....	1,148,207 01
C Trust and Loan Companies—Tax on Interest and Income.....	158 71
D Interest on Investments—	
Sinking Funds	98,780 37
Bond Holding Account	520,866 17
Advances to Provinces—	
Housing Loans under authority of P.C. 2997 of December 3, 1918, and amendments thereto	25,979 46
Relief Loans.....	2,793,954 45
Alberta Subsidy overpayment, 1914-16	14,062 50
Quebec Debt Account	58,944 38
Saskatchewan Seed Grain Loans Guarantee Act, 1936, and Seed Grain Loans Guarantee Act, 1937	31,503 57
Saskatchewan Power Commission	1,880 22
Government Owned Enterprises—	
Bank of Canada	225,000 00
Canadian Broadcasting Corporation	26,942 27
Canadian Farm Loan Board	1,235,845 81
Canadian Government Merchant Marine, Ltd.	16,409 25
Canadian National Railways Company	5,657,081 02
Canadian National (West Indies) Steamships, Limited.....	1,205,656 97
Foreign Exchange Control Board	4,238,351 36
National Harbours Board	3,400,082 19
New Westminster Harbour Commission	6,863 43
Soldier and General Land Settlement	1,047,774 31
Miscellaneous—	
Canadian Pacific Railway Company	493,273 26
Current Account, Bank of Montreal, London, England	40,890 93
Home Improvement Loans	1,583 46
Montreal Turnpike Trust	858 48
Municipal Improvements Assistance Act Advances	114,823 88
National and Dominion Housing Acts Advances	415,685 65
Seed Grain and Relief Advances	6,248 50
St. John Bridge and Railway Extension Company	17,356 00
Marine Industries Limited	52,002 76
	<u>21,748,700 65</u>

AUDITOR GENERAL'S REPORT

E	Premium, Discount and Exchange	11,855,510 31
F	Casual Revenue—	
	Royal Canadian Mint and Dominion Assay Office	4,767,481 35
	Dominion share of profits of Bank of Canada	3,725,590 53
	Profits of Central Mortgage Bank	3,579 60
	Sundry Sales	3,402 39
	Sundry Receipts	41,272 18
	Refunds of previous years' expenditures	37,418 52
		8,578,744 57
G	Fines and Forfeitures	4,198 74
H	Special Receipts—	
	Canadian National Railways	
	Capital gain in redemption of 4 per cent perpetual debenture stock of Grand Trunk Railway	99,274 17
	Operating surplus for the calendar year 1941	4,016,326 74
	War donations	458,583 82
	Special donations for the relief of those in distress	522 90
	Refunds of previous years' war expenditure	51 80
		4,574,759 43
		<hr/>
		\$ 48,696,762 01

Certified correct.

W. C. CLARK,
Deputy Minister of Finance.

In accordance with the provisions of section 45 (1) of the Consolidated Revenue and Audit Act I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

- A** The Chartered Bank Note Circulation Tax is collected under the authority of Part I of the Special War Revenue Act, c. 179, R.S. and amendments at the rate of one-fourth of one per cent upon the average quarterly amount of the notes of each bank in circulation.
- B** Under the authority of Part III of the Special War Revenue Act, c. 179, R.S., as amended, a tax on premiums other than life or marine of licensed insurance companies is collected at the rate of one per cent upon the net premiums of every company other than a mutual company operating on the premium deposit plan; in the latter case, the tax is two per cent. Under the same authority, a tax of ten per cent is collected on the net premiums paid by any resident of Canada for insurance not authorized under the laws of Canada or of any province of Canada. During the fiscal year 1941-42, collections of taxes on licensed companies amounted to \$1,140,569.63, and of taxes on unauthorized insurance to \$7,637.38.
- C** This represents an amount received in respect to arrears of taxation of gross interest and income of Trust and Loan Companies, under the Special War Revenue Act, c. 8, 1915, as amended.
- D** Interest on Investments consists mainly of interest on investments, loans and advances classed as active in the Balance Sheet of the Dominion. Stock of Dominion sterling issues continued to be purchased for investment in sinking funds to an amount equivalent at market value in sterling to the total of the annual contributions plus the interest on the stock held, under the authority of Section 9 of the Consolidated Revenue and Audit Act, until the 1953-58, 1950-55 and 1958-63 loans, which were vested by the Government of the United Kingdom in August, 1941, were purchased by the Government of Canada and cancelled. Interest on this stock and on other bonds acquired by the Dominion and held in Sinking Fund or Bond Holding Accounts was credited to Interest on Investments at the current selling price of exchange.

Housing Loans to provincial governments, made under the authority of P.C. 2997 of December 3, 1918, and amendments for house construction during the period following

the first Great War, bear interest at 5 per cent per annum. Payments during 1941-42 were as follows: Nova Scotia, \$7,502.06; Prince Edward Island, \$1,227.40; Manitoba, \$8,750; and British Columbia, \$8,500. Loans to provinces under the authority of the several Relief Acts bear interest at 3 per cent. The total of \$2,793,954.45 credited to the revenue account during the fiscal year represented interest paid in cash and was credited as follows: Alberta, \$780,146.12; British Columbia, \$1,042,331.60; Manitoba, \$756,516.40; Saskatchewan, \$214,960.33. Collections of \$31,503.57 received during 1941-42 were credited as part payment of interest on the Province of Saskatchewan's liability in connection with the advances of \$2,637,398.15 and \$7,136,051.09 made in 1939-40 and 1940-41, respectively, in implementing guarantees under the Saskatchewan Seed Grain Loans Guarantee Act, c. 9, 1936, and the Seed Grain Loans Guarantee Act, c. 39, 1937. The payment of \$1,880.22 in respect of the Province of Saskatchewan Power Commission represents interest at 3½ per cent on the loan \$57,600 for the construction of a transmission line to provide an electric power supply for certain military purposes. The loan is being amortized in thirty semi-annual instalments. The amount of \$14,062.50 received from the Province of Alberta was on account of interest at 3 per cent per annum on \$468,750, representing overpayments of subsidies to the Province in the years 1914, 1915 and 1916 and for which the Dominion holds a Treasury Bill of the Province. The balance of the Province of Quebec Debt Account bears interest at 4 per cent per annum.

Interest to December 31, 1941, at 4½ per cent per annum was received on the capital stock of the Bank of Canada as provided by the Bank of Canada Amendment Act, c. 42, 1938. The advances to the Canadian Broadcasting Corporation bore interest at 3½ per cent. Receipts from the Canadian Farm Loan Board included interest at 3½ per cent, amounting to \$175,000 on initial capital advances, and to \$1,060,260.27 on Farm Loan Bonds as authorized by the Canadian Farm Loan Act, c. 66, R.S. and amendments, and a small sum of \$585.54 received on account of interest at 2½ per cent on initial capital advances under the Canadian Fisherman's Loan Act, c. 52, 1935. The payment by the Canadian Government Merchant Marine, Limited, represented interest to January 1, 1942, at 3½ per cent on the balance outstanding of the loan of \$750,000 advanced to provide working capital for the operation of certain ships seized in prize. Payment of interest on capital advances to the Canadian National Railways was provided for in the Canadian National Railways Capital Revision Act, c. 22, 1937. The total of \$5,657,081.02 received during 1941-42 included interest on the following loans: purchase of railway equipment, \$650,818.25; Financing and Guarantee Act, 1938, \$60,095.32; Financing and Guarantee Act, 1939, \$433,488.28; Financing and Guarantee Act, 1940, \$3,659,670.59; Financing and Guarantee Act, 1941, \$315,608.92; Refunding Act, 1938, \$493,787.86; Senneterre-Rouyn Branch Line Construction, \$22,361.80; Trans-Canada Air Lines, \$19,250. Of the amount of \$1,205,656.97 received from the Canadian National (West Indies) Steamships Limited, representing the operating surplus for the calendar year 1941, \$13,500 was for interest at 3 per cent on an amount advanced for working capital in 1937-38, and the balance of \$1,192,156.97 was applied to the reduction of interest accrued on non-active advances to the company for capital and deficits. Payments by the Foreign Exchange Control Board amounted to \$4,238,351.36 and included \$420,543.14 being interest for one year to March 31, 1942, at the average quarterly tender rate for Treasury Bills on \$75,000,000, and \$2,500,000, representing one year's interest at one per cent to November 1, 1941, on \$250,000,000, as provided by the Exchange Fund Order P.C. 1734 of April 30, 1940, as amended by P.C. 7610 of December 28, 1940. The balance of \$1,317,808.22 represented interest at one per cent per annum from the date of the advances to November 1, 1941, on amounts totalling \$400,000,000, as provided by P.C. 4598 of June 25, 1941. Amounts received from the National Harbours Board included payment on account of interest on advances for capital purposes on account of the following harbours: Churchill, \$82.19; Halifax, \$500,000; Montreal, \$2,100,000; Three Rivers, \$150,000; Vancouver, \$650,000. Interest at 5 per cent per annum for six months to June 30, 1941, was received on account of the loan of \$274,537.23 to the New Westminster Harbour Commission.

Collections of interest on Soldier Land Settlement amounted to \$902,550.71 and on General Land Settlement Loans to \$145,223.60 during 1941-42.

Interest was received from the Canadian Pacific Railway Company on account of advances for the purchase of railway equipment, \$336,692.07; for betterment and repair of equipment, \$34,800; for rental of railway equipment and rolling stock, \$119,007.69; and for wages, \$2,773.50.

Interest on the balances held in the current account at the Bank of Montreal, London, England, was credited quarterly at one-half of one per cent per annum. Collections

on account of interest on overdue payments on Home Improvement Loans amounted to \$1,583.46. Payments totalling \$858.48 were received on account of interest at 6 per cent per annum, under commutation agreements in respect of the Montreal Turnpike Trust Corporation. Loans under the Municipal Improvements Act, c. 33, 1938, bore interest at 2 per cent per annum. Interest at 3 per cent per annum was collected on the Dominion's share of loans made pursuant to the provisions of the Dominion Housing Act, c. 58, 1935, and the National Housing Act, c. 49, 1938. The amount of \$6,248.50 credited to Interest on Investments in respect of Seed Grain and Relief Advances represented the collections by the Department of Mines and Resources on account of seed grain loans issued up to the year 1926 under the authority of the several Seed Grain and Relief Acts. Interest at 4 per cent for one year to June 30, 1941, on the loan of \$433,900 to Saint John Bridge and Railway Extension Company was received in accordance with the agreement of December 10, 1883. The date for the payment of the annual instalment of principal and interest due from Marine Industries Limited, under the agreement of sale of the Sorel shipyard and equipment assigned to that company by General Dredging Contractors Limited, was extended from July 2, 1941, to January 1, 1942, by P.C. 5046 of July 9, 1941. The instalment due January 1, 1942, was received during the year with interest at $3\frac{1}{2}$ per cent to the date of payment.

No interest was received during the year on account of the advances to the Governments of Roumania and Greece.

- E** Gross receipts from premium, discount and exchange amounted to \$117,810,759.75 were offset by disbursements totalling \$105,955,249.44, the net revenue being \$11,855,510.31. Receipts included premium on gold bullion sold, \$71,914,215.80; premium on United States funds sold, \$21,773,386.88; discount on sterling exchange purchased, \$23,999,740.34, premium on bonds sold from Bond Holding Account, \$119,914.42; and premium, etc., received by sundry government departments, \$3,502.31. Disbursements consisted of payments to mining companies for premium on deposits of gold bullion at the current price of gold in New York, \$88,275,401.25; premium on United States funds purchased, \$5,431,550.19; discount on sterling exchange sold, \$12,207,161.96; premium on stock purchased for sinking fund investments, \$31,809.29; premium on the redemption of sterling bonds, \$3,097.20; and sundries, \$6,229.55.

As in 1940-41, all payments in other than Canadian currency continued in 1941-42 to be charged at the current official rates of exchange. With certain exceptions, expenditures were charged to appropriations at \$4.47 to the pound in the case of sterling payments and \$1.11 to the dollar for payments in United States funds, the difference between these rates and par being debited or credited to Premium, Discount and Exchange Account.

- F** The revenue resulting from the operations of the Royal Canadian Mint totalled \$4,754,701.14 and included profit on gold bullion sold, \$98,167.70; gain in silver bullion and coinage accounts, \$2,598,956.71; gain in nickel coinage, \$385,397.39; gain in bronze coinage, \$435,715.46; gold handling charges, \$1,299,588.67 less charges on shipments to New York, \$291,249.46; charges for refining gold, \$216,647.65; and charges for various materials and services, \$11,477.02. Dominion Assay Office revenue amounted to \$12,780.21 and consisted of gain in refining, \$2,122.74; handling charges, \$10,465.47; charges for making assays, \$192.

The Dominion's share of the profits of the Bank of Canada represented two-thirds of the net profits of the Bank for the calendar year 1941 as provided by the Bank of Canada Amendment Act, c. 42, 1938. The balance was added to the Rest Fund of the Bank. The net profits of the Central Mortgage Bank for the year 1941 were paid to the Receiver General under the provisions of the Central Mortgage Bank Act, c. 40, 1939.

Sundry receipts included fees collected pursuant to Section 88 of the Bank Act, c. 24, 1934, \$1,656.25; registration and insurance fees on exchanged bonds, \$35,490 less cost of printing bonds, \$6,635.28; conscience money, \$193.44; licence fees collected by the Wartime Prices and Trade Board: coal and coke dealers licences, \$8,807.40; hides, skins and leather dealers' licences, \$1,247.37; and gross profits of \$279.39 on defaulted Dominion Housing Act loans which were offset by a loss of \$179.26.

Refunds of previous years' expenditures totalling \$37,418.52 included repayment by the Chartered Banks of bank inspection expenses for the calendar year 1941, \$24,823.47; the balance of outstanding letter of credit cheques issued in 1930-31, \$10,319.75 and refunds of previous years' expenditure in respect of coal subventions, \$1,609.21.

- G** The total of \$4,198.74 credited to Fines and Forfeitures during 1941-42 was comprised of \$1,130.08, representing confiscated money, and \$3,068.66 revenue received from fines imposed under various federal statutes and orders in council. Of the latter amount,

\$595 was for imposts under by-laws established under the Federal District Commission Act, c. 55, 1927, and amendments, and \$2,286 under Wartime Prices and Trade Regulations (P.C. 2516 of Sept. 3, 1939, as amended).

H The amount of \$99,274.17 included in special receipts is the capital gain on the redemption of Grand Trunk Railway 4 per cent perpetual debenture stock, and is taken into the Dominion accounts as an offset to a corresponding increase in the Canadian National Railways Securities Trust Stock represented by a charge to Non-Active Accounts in the year's expenditure. The amount of \$4,016,326.74 is a similar credit to special receipts, offsetting the equivalent increase of the Dominion's equity in the Canadian National Railways due to the surplus earnings of the Canadian National Railway system for the calendar year 1941.

Donations received during the year totalled \$459,106.72 of which \$522.90 was classed as special donations for the relief of those in distress. The balance of \$458,583.82 represented sums donated to the government to aid in the prosecution of the war.

Refunds in respect of previous years' war expenditures totalling \$51.80 were received and credited to Special Receipts during the fiscal year.

APPROPRIATIONS AND EXPENDITURES

A total of \$304,786,789.59 was available for expenditure on account of the Department of Finance, of which \$55,992,679.40 was provided in the annual appropriation Acts, and \$248,794,110.19 was authorized by continuing statutory provisions. Expenditures were \$280,201,360.18 for the fiscal year 1941-42, an increase of \$37,222,713.15 over those of \$242,978,647.03 in 1940-41.

In addition, a total of \$20,571,507.28 was allotted to the Department from the War Appropriation. Expenditures thereunder, amounting to \$16,725,076.21 are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
S	Salary of Minister—Salaries Act, c. 182, R.S.....	10,000 00	10,000 00	
S	Motor Car Allowance to Min- ister — Appropriation Act No. 5, c. 61, 1931.....	2,000 00	2,000 00	
420, 46 } 67 }	Departmental Administration.	371,755 76	366,082 18	5,673 58
47	Bank Inspection (Inspector General of Banks' Office)...	26,000 00	24,948 06	1,051 94
48	Royal Canadian Mint, includ- ing the Dominion of Canada Assay Office	310,929 00	304,309 74	6,619 26
S	Retirement Benefits—Royal Canadian Mint Act, c. 48, 1931	10,489 09 731,173 85	10,489 09 717,829 07	13,344 78
Housing Branch				
49	National Housing Act, Ad- ministration	89,390 00	86,595 32	2,794 68
S	Fees for making loans in re- mote localities — National Housing Act, c. 49, 1938..	19,692 87	19,692 87	
S	Tax payments — National Housing Act, c. 49, 1938...	171,719 37	171,719 37	
S	Home Improvement Loans— Losses—Home Improvement Loans Guarantee Act, c. 11, 1937	121,157 62 401,959 86	121,157 62 399,165 18	2,794 68

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Old Age Pensions				
(Including Pensions to the Blind)				
50	Old Age Pensions including Pensions to the Blind, Administration	42,320 00	36,346 68	5,973 32
S	Payment of Dominion's share of pensions—Old Age Pensions Act, c. 156, R.S.....	29,611,796 15	29,611,796 15	
		29,654,116 15	29,648,142 83	5,973 32
Superannuation, Retirement Benefits and Sundry Pensions				
<i>Superannuation and Retirement Benefits</i>				
420. 51\	Superannuation and Retirement Acts, Administration.	50,080 01	50,079 77	24
67\				
52	Government's contribution to the Superannuation Fund..	2,365,000 00	2,347,225 53	17,774 47
53	Retiring allowances to former employees of the Department of Public Printing and Stationery	2,500 00	1,785 96	714 04
S	Superannuation allowances—Civil Service Superannuation and Retirement Acts, c. 4, 1870, and c. 12, 1893..	156,416 55	156,416 55	
S	Retirement allowances—Public Service Retirement Act, c. 67, 1920	187,510 84	187,510 84	
S	Widows' annuities—Civil Servants' Widows' Annuities Act, c. 74, 1927	89,304 69	89,304 69	
S	Gratuities to families of deceased employees—Civil Service Act, c. 22, R.S.....	1,750 00	1,750 00	
		2,852,562 09	2,834,073 34	18,488 75
Public Debt Charges				
Consolidated Revenue and Audit Act, c. 27, 1931				
S	Interest on Public Debt.....	155,017,900 66	155,017,900 66	
S	Annual Amortization of Bond Discount, Premiums and Commissions	10,981,591 08	10,981,591 08	
Servicing of Public Debt—				
S	Redemption and Transfer of Bonds	163,866 74	163,866 74	
55	Commission for payment of interest on public debt, Services of Fiscal Agents, London, English bill stamps, Registrars' Fees, etc.	165,100 00	116,409 06	48,690 94
S	Loan Flotation Charges	5,367,926 19	5,367,926 19	
		171,696,384 67	171,647,693 73	48,690 94

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
Subsidies to Provinces				
British North America Act				
S	Ontario	3,136,393 68	3,136,393 68	
S	Quebec	2,859,244 68	2,859,244 68	
S	Nova Scotia	701,322 80	701,322 80	
S	New Brunswick	729,166 56	729,166 56	
S	Manitoba	1,713,284 18	1,713,284 18	
S	British Columbia	966,513 46	966,513 46	
S	Prince Edward Island	381,931 88	381,931 88	
S	Alberta	1,788,589 40	1,788,589 40	
S	Saskatchewan	2,132,175 00	2,132,175 00	
		<i>14,408,621 64</i>	<i>14,408,621 64</i>	

**Compensation to Provinces
re Taxation Agreements**

476 Compensation to provinces which agree to vacate the personal income and corporation tax fields for the duration of the war, the annual amount thereof being computed in accordance with and subject to the terms and conditions of agreements approved by the Governor in Council and entered into with such provinces by His Majesty the King in the right of Canada represented by the Minister of Finance and on a basis which will produce substantially the equivalent of either—

(a) The revenues which the province and its municipalities obtained from these sources during the fiscal year ending nearest to December 31, 1940, less the amounts collected after the close of such fiscal year by the province and its municipalities in respect of personal income and corporation taxes levied upon incomes of 1940 or prior years or based upon the status or operations of the taxpayer in 1940 or prior years; or

(b) The net debt service paid by the province during the fiscal year ending nearest to December 31, 1940 (not including contributions to

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
	sinking funds) less the revenue obtained from succession duties during that period and less the amounts collected after the close of such fiscal year by the province and its municipalities in respect of personal income and corporation taxes levied upon incomes of 1940 or prior years or based upon the status or operations of the taxpayer in 1940 or prior years			
	and for the payment of fiscal need subsidies to such of said provinces as enter into such agreements and can demonstrate to the satisfaction of the Governor in Council that these are necessary:			
	an amount not exceeding...	45,000,000 00	21,120,443 32	23,879,556 68
Miscellaneous Grants and Contributions				
57	Canadian General Council of the Boy Scouts	9,000 00	9,000 00	
58	Dominion Council of the Girl Guides	4,860 00	4,860 00	
59	Royal Astronomical Society..	1,620 00	1,620 00	
60	Royal Canadian Academy of Arts	2,025 00	2,025 00	
61	Royal Society of Canada....	4,500 00	4,500 00	
32	Report on cultural conditions in Canada (literature, art, drama, education, etc.)	2,500 00	2,500 00	
	Federal District Commission—			
63	Maintenance and improvement of grounds adjoining Government buildings, Ottawa, and for improvements to the parkway system under the control of the Federal District Commission	133,500 00	131,439 09	2,060 91
S	Maintenance of parks, parkways and plant, Ottawa and vicinity under control of the Federal District Commission, c. 55, 1927, and c. 26, 1928	200,000 00	200,000 00	
S	Corporation of the City of Ottawa, Ottawa Agreement Act, c. 7, 1940-41.....	100,000 00	100,000 00	

No. of Vote	Services	Appropriations	Expenditures	Lapsed
S	National Battlefields Commission, c. 57, 1908, and amendments	75,000 00	75,000 00	
420	Cost of living bonus, supplement	3,300 00	3,300 00	
		536,305 00	534,244 09	2,060 91
General				
64	Tariff Board, including the Dominion Trade and Industry Commission—Payments may be made notwithstanding anything in the Civil Service Act or Regulations	86,000 00	57,612 32	28,387 68
65}	Expenses of the Comptroller of the Treasury's Office....	2,100,457 00	2,044,621 80	55,835 20
477}				
66	Farmers' Creditors Arrangement Act, 1934, and Municipal Improvements Assistance Act, 1938, Administration	261,000 00	177,458 77	83,541 23
67	Salaries, reclassifications and increases .....100,000 00 Less transferred.. 28,717 47	71,282 53		71,282 53
68	Unforeseen expenses 80,000 00 Less transferred. 18,517 28	61,482 72	48,034 24	13,448 48
420	Cost of Living Bonus 1,300,000 00 Less transferred 1,017,337 62	282,662 38		282,662 38
S	Redemption of Previous Years' Cheques—Consolidated Revenue and Audit Act, c. 27, 1931	893 99	893 99	
		2,863,778 62	2,328,621 12	535,157 50
Coal Subsidies and Subventions				
173	Dominion Fuel Board Administration and Investigations	27,415 00	26,954 41	460 59
174	Payments in connection with the movements of coal under conditions prescribed by the Governor in Council	4,500,000 00	4,421,146 42	78,853 58
S	Subsidies under the Domestic Fuel Act, c. 52, 1927.....	53,013 00	53,013 00	
S	Subsidy payments under an Act to place Canadian coal used in the manufacture of iron or steel on a basis of equality with imported coal, c. 6, 1930	379,058 59	379,058 59	
		4,959,486 59	4,880,172 42	79,314 17
Total Ordinary Expenditures.		\$273,104,388 47	\$248,519,006 74	\$ 24,585,381 73

AUDITOR GENERAL'S REPORT

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
Special				
112	Comptroller of the Treasury's Office—Administration expenses generally, including salaries and travelling expenses	18,000 00	17,952 32	47 68
Write down of Assets				
S	Cancellation of Canadian Farm Loan Board—Capital Stock—Canadian Farm Loan Act, c. 66, R.S. and amendments	9,613 00	9,613 00	
S	Canadian National Railways Securities Trust Stock—Reduction due to line abandonments—Canadian National Railways Capital Revision Act, c. 22, 1937.....	2,539,187 21	2,539,187 21	
	Total Write down of Assets..	2,548,800 21	2,548,800 21	
Other Charges				
S	Provision for Reserve Account—Loans and Advances—Consolidated Revenue and Audit Act, c. 27, 1931..	25,000,000 00	25,000,000 00	
Non-Active Accounts				
S	Increase in Canadian National Railways Securities Trust Stock—Increase due to surplus earnings, calendar year 1941—Canadian National Railways Capital Revision Act, c. 22, 1937	4,016,326 74	4,016,326 74	
S	Increase in Canadian National Railways Securities Trust Stock—Capital Gain on Redemption 4% G.T.R. Perpetual Debenture Stock—Canadian National Railways Capital Revision Act, c. 22, 1937	99,274 17	99,274 17	
	Total Non-Active Accounts..	4,115,600 91	4,115,600 91	
	Total	\$304,786,789 59	\$280,201,360 18	\$ 24,585,429 41

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

<i>Salary of Minister, the Honourable J. L. Ilsley—Salaries Act, c. 182, R.S..</i>	<i>\$ 10,000 00</i>
<i>Motor Car Allowance to Minister, the Honourable J. L. Ilsley—Appropriation Act No. 5, c. 61, 1931.....</i>	<i>\$ 2,000 00</i>
<i>Vote 46 Departmental Administration</i>	<i>\$ 356,425 00</i>
<i>Vote 67 Salaries, reclassifications and increases, supplement.....</i>	<i>4,498 07</i>
<i>Vote 420 Cost of living bonus, supplement</i>	<i>10,832 69</i>
	<i>371,755 76</i>
<i>Expenditures</i>	<i>366,082 18</i>
<i>Lapsed</i>	<i>\$ 5,673 58</i>

	Estimates details	Allotments authorized	Expenditures
A Salaries	238,275 00	280,605 76	280,605 76
B Printing and Stationery	22,200 00	22,200 00	20,837 88
C Express on Coin and Silver Bullion Shipment	70,000 00	50,000 00	49,852 87
D Travelling Expenses	6,250 00	4,250 00	2 556 84
E Sundries	19,700 00	14,700 00	12,228 83
	<u>\$ 356,425 00</u>	<u>\$ 371,755 76</u>	<u>\$ 366,082 18</u>

Comments on Expenditures

This vote was provided for administration expenses not exclusively related to any branch of the department.

A As of March 31, 1942, there were 175 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): W. C. Clark, Deputy Minister, \$12,000; C. A. Annis, \$3,420; R. B. Bryce, \$4,200; W. J. Callaghan, \$3,600; R. L. Casselman, \$3,720; J. E. Coyne, \$5,000 (Nov. 16); A. K. Eaton, \$4,500; A. Edington, \$2,520, local allowance, \$480; G. D. Effemy, \$2,400; M. Guthrie, \$2,400; W. E. Hunter, \$4,140; D. M. Johnson, \$5,700 (on loan to Department of External Affairs from Oct. 1); T. Lawson, \$3,660; G. E. Lowe, \$3,000; J. G. Macfarlane, \$5,700; W. A. Mackintosh, \$7,500; G. W. McCavour, \$2,400; G. McGougan, \$2,820; J. Otter, \$2,400; A. F. W. Plumptre, \$5,000; E. Purkiss, \$2,400; K. F. Richardson, \$3,240; W. C. Ronson, \$6,300; M. W. Sharp, \$4,500; W. Smellie, \$4,080; J. B. Taylor, \$4,800; J. R. Tolmie, \$3,900; A. L. Wickwire, \$4,080.

Living, representation and house allowance at the rate of \$2,375 per annum was paid to the financial attachés at the Canadian Legation, Washington, as follows: J. E. Coyne, Apr. 1 to Nov. 15; A. F. W. Plumptre, Jan. 1 to Mar. 31.

B This amount was comprised of payments to the King's Printer.

C Payments for express charges on shipments of coin and silver bullion were made as follows: Canadian National Express Company, \$19,921.44; Canadian Pacific Express Company, \$24,288.76; Bank of Canada, \$5,642.67.

D The following received travelling expenses in excess of \$300: Honourable J. L. Ilsley, \$458; W. C. Clark, \$404.44; J. E. Coyne, \$447.77; W. E. Hunter, \$583.95.

E This allotment includes \$5,294.75 paid to W. L. Gordon as an allowance to cover living, travelling and other out-of-pocket expenses as authorized by P.C. 10/7354 of December 14, 1940, while acting as special assistant to the Deputy Minister of Finance. An amount of \$1,745.16 was paid to Mr. Gordon in 1940-41 on the same basis and under the same authority.

AUDITOR GENERAL'S REPORT

Vote 47 Bank Inspection (Inspector General of Banks' Office)	26,000 00
Expenditures	24,948.06
Lapsed \$	1,051 94

	Estimates details	Allotments authorized	Expenditures
A Salaries	18,000 00	18,086 07	18,082 48
B Rental	900 00	900 00	900 00
C Travelling Expenses	2,100 00	2,900 00	2,730 45
D Sundries	5,000 00	4,113 93	3,235 13
	\$ 26,000 00	\$ 26,000 00	\$ 24,948 06

Comments on Expenditures

This vote was provided for the expenses in connection with the examinations and inquiries into the affairs and business of the Chartered Banks as required by Section 56 of the Bank Act, c. 24, 1934. All expenses are assessed against the Banks in proportion to their total assets.

A As of March 31, 1942, there were 3 employees paid from this vote. The following was receiving an annual salary of \$2,400 or over on that date: C. E. S. Tompkins, Inspector General of Banks, \$15,000.

C The following received travelling expenses in excess of \$300: C. E. S. Tompkins, \$2,730.45.

Vote 48 Royal Canadian Mint, including Dominion of Canada Assay Office	310,929 00
Expenditures	304,309 74
Lapsed \$	6,619 26

	Estimates details	Allotments authorized	Expenditures
A Salaries	224,640 60	224,940 60	224,834 30
B Retired Allowances	6,288 40	6,288 40	4,128 68
C Miscellaneous	3,037.00	3,537 00	3,295 40
D Equipment—Machinery and Repairs	10,217 00	4,467 00	3,808 66
E Power, Light and Heat	9,505 00	11,205 00	11,083 76
F Supplies—Coining	7,900 00	20,487 00	19,922 45
G Supplies—Refining and Assaying	35,212 00	34,912 00	32,680 58
H Printing and Stationery	1,342 00	2,442 00	2,217 04
I Freight, Cartage, Express, etc.	4,850 00	2,300 00	1,997 49
J Travelling Expenses	100 00	350 00	341 38
K Contingent Reserve	7,837 00		
	\$ 310,929 00	\$ 310,929 00	\$ 304,309 74

Comments on Expenditures

This vote was provided for the expenses incidental to the operation of Royal Canadian Mint and Dominion Assay Office under the authority of the Royal Canadian Mint Act, c. 48, 1931, and including the minting of silver, nickel and bronze coin and the refining and assaying of gold bullion.

Expenditures at the Royal Canadian Mint, Ottawa, totalling \$285,183.73 were charged as follows: salaries and temporary assistance, \$207,775.75; retired allowances, \$4,128.68; miscellaneous, \$2,548.10; equipment: machinery and repairs, \$3,599.52; power, light and gas, \$11,083.76; supplies: coining, \$19,922.45; supplies: refining and assaying, \$31,720.01; printing and stationery, \$2,120.45; freight, cartage, express, etc., \$1,943.63; travelling expenses, \$341.38.

Additional expenditures for the Royal Canadian Mint, amounting to \$79,181.52, were charged to the War Appropriation and are shown in the War Appropriation Section of this report.

Dominion Assay Office expenditures totalled \$19,126.01 and were allotted as follows: salaries and temporary assistance, \$17,058.55; miscellaneous, \$747.30; equipment: machinery and repairs, \$209.14; supplies: refining and assaying, \$960.57; printing and stationery, \$96.59; freight, cartage, express, etc., \$53.86.

A As of March 31, 1942, there were 122 employees of the Royal Canadian Mint and 8 employees of the Dominion of Canada Assay Office paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): H. E. Ewart, Master, Royal Canadian Mint, \$6,900; P. W. Bond, \$3,600; R. J. Edmunds, \$3,960; C. W. Ellis, \$2,520; A. L. Entwistle, \$4,500; J. Fitzsimmons, \$2,400; G. N. Ford, \$3,720; W. A. Hawkey, \$3,000; G. W. V. Howard, \$3,900 (Jan. 1); J. P. Howe, \$2,400 (June 30); C. J. Morris, \$2,700; F. R. Mulford, \$2,400; E. V. Murray, \$2,700; J. G. Perry, \$2,400; T. Shingles, \$2,520; V. R. Thirkell, \$2,700; O. C. Toller, \$2,820; A. S. Vince, \$2,700; A. P. Williams, \$3,300.

Employees whose salaries were paid from this Vote received \$26,861.35 for overtime which was charged to the War Appropriation.

B Retired Allowances were paid to the following: A. H. Cleave, \$2,307.08; J. Roe, \$1,821.60.

E One payment in excess of \$5,000 for power, light and heat was made to the Ottawa Light, Heat and Power Co. Ltd., \$11,083.76.

G Two payments in excess of \$5,000 for refining and assaying supplies were made as follows: Morgan Crucible Co. Ltd., \$5,627.90; Nicholls Chemical Co. Ltd., \$17,386.02.

Audit Note

As stated in the 1940-41 Report, the attention of the Master of the Mint and of the Civil Service Commission was directed to the fact that 14 positions, occupied by temporary labourers, had not been classified as required by Order in Council of June 29, 1922 (P.C. 1053). Although this matter had been the subject of correspondence since 1939, no action was taken, and the occupants of eleven unclassified positions were paid to March 31, 1942.

Retirement Benefits to former employees of the Mint—Royal Canadian

<i>Mint Act, c. 48, 1931.....</i>	\$ 10,489 09
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Comments on Expenditures

Payments to former employees of the Royal Mint of the portions of their retirement benefits referable to their services in the Ottawa Branch of the Royal Mint were as follows: J. Burke, \$883.44; F. J. Cletheroe, \$1,050; G. V. W. Howard, \$4,856.46; H. S. Lowe, \$1,104; T. H. Mansell, \$1,140; R. G. J. Pearson, \$802.65; R. C. Roe, \$880. Refunds by the British Government on account of the portion of the benefits for the year ended March 31, 1941, of F. J. Cletheroe and T. H. Mansell, referable to their services in the Royal Mint, and amounting to \$54.56 and \$172.90, respectively, were credited during the fiscal year 1941-42.

Housing Branch

Vote 49 National Housing Act, Administration	\$ 89,390 00
Expenditures	86,595 32
Lapsed	2,794 68

	Estimates details	Allotments authorized	Expenditures
A Salaries	73,890 00	73,090 00	71,651 75
B Printing and Stationery	7,500 00	6,227 00	6,226 87
C Travelling Expenses	5,000 00	7,800 00	6,860 16
D Sundries	3,000 00	2,273 00	1,856 54
	\$ 89,390 00	\$ 89,390 00	\$ 86,595 32

Comments on Expenditures

This vote was provided for the expenses of administering the Dominion Housing Act, c. 58, 1935; the National Housing Act, c. 49, 1938, and the Home Improvement Loans Guarantee Act, c. 11, 1937, including the supervision of loans, guarantees and tax payments made thereunder.

A As of March 31, 1942, there were 43 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: R. Berrill, \$2,460; R. W. G. Card, \$2,640; J. J. Hyland, \$3,240; H. C. Jarvis, \$2,520; S. L. Livingston, \$2,460; F. W. Nicolls, \$5,700. The following was paid at \$500 per month from Mar. 12 to Apr. 30, 1941: R. Ham, \$822.58.

B The following received travelling expenses in excess of \$300: R. W. G. Card, \$656.78; W. G. Davies, \$1,323.64; S. A. Gitterman, \$532.16; H. C. Jarvis, \$300.73; H. T. Gouin, \$813.89; F. W. Nicolls, \$2,567.89.

Fees for making loans in remote localities—National Housing Act, c. 49, 1938\$ **19,692 87**

Comments on Expenditures

Section 4 (h) of the National Housing Act authorized the Minister of Finance, in order to encourage the making of loans in small or remote communities, to enter into contracts with approved lending institutions providing for the payment by the Dominion of inspection fees not exceeding \$20 and expenses for each necessary inspection trip, in connection with loans not exceeding Four Thousand Dollars. Pursuant to this authority, provisions have been incorporated in the agreements between the Minister and the lending institutions for the payment of fees as follows: (1) \$10 plus travelling expenses for each loan for the construction of a home in any locality which is not part of a city of 50,000 inhabitants or more (1931 census), nor part of nor contiguous to a metropolitan area in which the lending company has either its head office or an established lending office; (2) \$20 for each loan where the house to be constructed is situated more than 25 miles from the centre of the main business district of a city of 50,000 inhabitants or more (as reported in the 1931 census) and more than 25 miles from the head office and each established lending office of the company; (3) \$20 for each loan where the home to be constructed is situated more than 50 miles from the centre of the main business district of a city of 50,000 inhabitants or more (1931 census) and more than 50 miles from the head office and each established lending office of the Company, together with an allowance of six cents per mile for each necessary inspection trip.

The following amounts were paid to lending institutions during the fiscal year: Canada Life Assurance Company, \$1,003.20; Canada Permanent Mortgage Corporation, \$1,236.84; Confederation Life Association, \$20; Equitable Life Insurance Company, \$250; Grey and Bruce Trust and Savings Company, \$70; London Life Insurance Company, \$4,586.32; London and Western Trusts Company, \$225.18; Manufacturers Life Assurance Company, \$909.92; Mutual Life Assurance Company, \$3,794.46; North American Life Assurance Company, \$20; Ontario Loan and Debenture Company, \$1,086.56; Sun Life Assurance Company, \$6,490.39.

Tax Payments—National Housing Act, c. 49, 1938\$ **171,719 37**

Comments on Expenditures

Section 22, Part III, of the National Housing Act authorized the Minister of Finance to pay the municipal taxes on houses valued at not more than Four Thousand Dollars which were constructed during the period commencing June 1, 1938, and ending on December 31, 1940, or on such earlier date as might be set by the Governor in Council, on the following basis:

- (i) One hundred per centum of municipal taxes in respect of such houses for the first tax year in which the municipality levies municipal taxes in respect of such houses;
- (ii) fifty per centum of municipal taxes in respect of such houses for the second tax year in which the municipality levies municipal taxes in respect of such houses;
- (iii) twenty-five per centum of municipal taxes in respect of such houses for the third tax year in which the municipality levies municipal taxes in respect of such houses.

By P.C. 4021 of December 5, 1939, payments were restricted to taxes on houses, the construction of which was commenced before May 31, 1940.

Expenditures, summarized by provinces, were as follows: Nova Scotia, \$3,326.05; New Brunswick, \$217.78; Prince Edward Island, \$32.56; Quebec, \$1,277.65; Ontario, \$72,566.22; Manitoba, \$8,089.21; Saskatchewan, \$2,173.10; Alberta, \$13,341.27; British Columbia, \$70,695.53.

Payment of loss claims in fulfilment of guarantees of Home Improvement

Loans—Home Improvement Loans Guarantee Act, c. 11,

1937\$ 121,157 62

Comments on Expenditures

The Home Improvement Loans Guarantee Act provided for the re-imbursement of approved lending institutions for losses sustained on defaulted Home Improvement Loans, on condition that such re-imbursement should not exceed fifteen per centum of the aggregate amount of Home Improvement Loans made by any such approved lending institution.

In accordance with the provisions of this Act, payments were made to the following lending institutions: Banque Canadienne Nationale, \$19,875.96; Canadian Bank of Commerce, \$18,971.78; Dominion Bank, \$3,707.01; G. S. W. Acceptance Co. Ltd., \$124.88; Gurney Finance Ltd., \$5,235.36; Heating and Plumbing Finance Co. Ltd., \$19,956.69; Imperial Bank, \$9,751.41; Bank of Montreal, \$16,595.26; Bank of Nova Scotia, \$11,471.30; Royal Bank, \$19,586.73; Bank of Toronto, \$834.69; and miscellaneous, \$96.20. Amounts totalling \$6,632.61 were subsequently received from defaulting debtors, of which \$5,049.15 was credited to this appropriation and \$1,583.46 to Interest on Investments.

Old Age Pensions (including Pensions to the Blind)

Vote 50 Old Age Pensions, including Pensions to the Blind, Adminis-

tration 42,320 00

Expenditures 36,346 68

Lapsed\$ 5,973 32

	Estimates details	Allotments authorized	Expenditures
A Salaries	22,320 00	22,986 96	22,986 96
B Travelling Expenses	10,000 00	10,000 00	8,258 20
C Medical Examination in connection with Pensions for the Blind—Ophthalmologists' Fees	8,000 00	7,333 04	4,440 00
D Sundries	2,000 00	2,000 00	661 52
	<u>\$ 42,320 00</u>	<u>\$ 42,320 00</u>	<u>\$ 36,346 68</u>

Comments on Expenditures

The vote was provided to cover the administration expenses of the Old Age Pensions Act c. 156 R.S. and amendments, including costs of examining provincial records of pensions paid to blind and aged and of ophthalmologists' fees in connection with pensions for the blind.

A As of March 31, 1942, there were 11 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. W. MacFarlane, \$3,900; V. D. McElary, \$2,460; E. R. Swettenham, \$2,580.

B The following received travelling expenses in excess of \$300: S. G. Dube, \$471.75; I. Girardin, \$437.90; V. D. McElary, \$1,306.83; L. Morisset, \$832.38; I. R. Mulligan, \$353.38; J. L. Perrier, \$1,355.89; J. S. Sutherland, \$1,680.83; E. R. Swettenham, \$586.59.

C This allotment was provided to pay for ophthalmologists' fees in connection with the examination of applicants for pensions for the blind at \$5 per examination.

<i>Payment of Dominion's share of pensions—Old Age Pensions Act, c. 156,</i>	
<i>R.S. and Amendments</i>	\$29,611,796 15

Comments on Expenditures

The number of Old Age Pensions in force on March 31, 1942, was 185,922 compared with 185,946 on March 31, 1941, a decrease of 24. The amounts paid to the Provinces during the year, being 75 per cent of the provincial disbursements, totalled \$28,530,907.52, which was a decrease of \$371,025.23, as compared with the expenditure of 1940-41. The following is a classification of the expenditures by provinces: Nova Scotia, \$1,936,831.62; Prince Edward Island, \$200,171.11; New Brunswick, \$1,559,883.08; Quebec, \$6,762,038.15; Ontario, \$9,772,690.43; Manitoba, \$2,087,719.03; Saskatchewan, \$2,009,282.60; Alberta, \$1,797,083.27; British Columbia, \$2,403,312.55; Northwest Territories, \$1,895.68.

The amount paid on the same basis on account of Pensions to the Blind was \$1,080,888.63, being an increase of \$71,121.70 over the corresponding amount of \$1,009,766.93 for the preceding year. The number of pensions to the blind in force on March 31, 1942, was 6,243 compared with 5,913 on March 31, 1941, an increase of 330. The following is a summary of the expenditures, classified by provinces: Nova Scotia, \$105,970.09; Prince Edward Island, \$14,071.95; New Brunswick, \$128,292.16; Quebec, \$365,525.53; Ontario, \$264,006.67; Manitoba, \$56,228.04; Saskatchewan, \$54,850.39; Alberta, \$36,780.14; British Columbia, \$55,163.66.

Superannuation, Retirement Benefits and Sundry Pensions
Superannuation and Retirement Benefits

<i>Vote 51 Superannuation and Retirement Acts—Administration</i>	31,370 00
<i>Vote 67 Salaries, reclassifications and increases, supplement</i>	15,663 46
<i>Vote 420 Cost of living bonus, supplement</i>	3,046 55
	50,080 01
<i>Expenditures</i>	50,079 77
<i>Lapsed</i>	\$ 0 24

	Estimates details	Allotments authorized	Expenditures
A Salaries	29,370 00	48,080 01	48,080 01
B Sundries	2,000 00	2,000 00	1,999 76
	\$ 31,370 00	\$ 50,080 01	\$ 50,079 77

Comments on Expenditures

This vote was provided for the expenses of administering the Civil Service Superannuation and Retirement Acts, c. 4, 1870, and c. 12, 1893; the Public Service Retirement Act, c. 67, 1920; the Civil Service Superannuation Act, c. 69, 1924; the Civil Servants' Widows' Annuities Act, c. 74, 1927, and amendments.

A As of March 31, 1942, there were 53 employees paid from this vote. The following was receiving an annual salary of \$2,400 or over on that date: G. L. Gullock, \$4,140.

<i>Vote 52 Government's contribution to the Superannuation Fund</i>	2,365,000 00
<i>Expenditures</i>	2,347,225 53
<i>Lapsed</i>	\$ 17,774 47

Comments on Expenditures

This payment represents an amount equal to the current contributions to this Fund of civil service employees in 1940-41.

Vote 53 Retiring Allowances to former employees of the Department of Public Printing and Stationery	2,500 00
Expenditures	1,785 96
Lapsed	\$ 714 04

Comments on Expenditures

Payment of retiring allowances as authorized by P.C. 2146 of October 22, 1919.

Superannuation allowances—Civil Service Superannuation and Retirement Acts, c. 4, 1870, and c. 12, 1893	156,416 55
Retirement allowances—Public Service Retirement Act, c. 67, 1920	\$ 187,510 84
Widows' Annuities—Civil Servants' Widows' Annuities Act, c. 74, 1927 ..	89,304 69
Gratuities to families of deceased employees—Civil Service Act, c. 22, R.S.	\$ 1,750 00

Public Debt Charges

Interest on Public Debt—Consolidated Revenue and Audit Act, c. 27, 1931	\$155,017,900 66
Funded Debt (including Treasury Bills)	
Payable in Canada	119,895,181 65
Payable in London	3,965,106 45
Payable in New York	18,000,037 53
Other Liabilities	13,157,575 03
	\$155,017,900 66

Comments on Expenditures

Interest on funded debt payable in Canada included payments as follows: Treasury bills, \$1,377,645.55; School Lands Debenture Stock: Alberta, \$382,582.76; Saskatchewan, \$712,361.56; Manitoba, \$236,794.50. 5% Refunding Loan 1923-43, \$7,350,005; 4½% Refunding Loan 1924-44, \$2,250,000; 4½% Refunding Loan 1926-46, \$2,025,000; 4% Refunding Loan 1933-45, \$3,533,500; 3% Refunding Loan 1934-42, \$1,212,270; 3½% Refunding Loan 1934-49, \$4,841,270; 2½% Refunding Loan 1937-44, \$500,000; 3¼% Refunding Loan 1937-51, \$1,950,000.02; 4½% Conversion Loan 1931-56, \$1,940,656.50; 4½% Conversion Loan 1931-57, \$1,688,544; 4½% Conversion Loan 1931-58, \$12,450,942; 4½% Conversion Loan 1931-59, \$13,036,198.50; 2% Conversion Loan 1937-42, \$1,498,805; 3¼% Conversion Loan 1937-49, \$1,088,750; 5% National Service Loan 1931-41, \$4,865,566.67; 4% Loan 1932-52, \$2,247,640; 2½% Loan 1935-43, \$500,000; 3% Loan 1935-55 (June 1), \$1,200,000; 3% Loan 1935-55 (Nov. 15), \$1,650,000; 3¼% Loan 1936-66, \$1,777,847.54; 2% Loan 1938-44, \$1,812,500; 3% Loan 1938/39-58, \$2,646,000; 1½% Loan 1939-42, \$1,842,953.75; 2% Notes 1939-41, \$4,000,000; 1% Notes 1940-41, \$1,250,000; 1% Notes 1941-42, \$1,250,000; 1½% Notes 1941-43, \$3,626,712.01; 3¼% First War Loan 1940, \$8,125,415.75; 3% Second War Loan, 1940, \$9,748,371; 2% Loan 1940-45, \$2,100,000; 3% Perpetual Loan 1936, \$1,650,000; 2% Victory Loan 1941-46, \$1,921,872.66; 3% Victory Loan 1941-51, \$9,604,976.88.

In accordance with the practice instituted on April 1, 1940, of charging all payments in sterling or United States funds to the appropriation at the current exchange value, instead of at par as was the practice in previous years, interest payable in New York included premium at 11 per cent. Similarly, interest payable in London was charged at \$4.47.

Interest on funded debt payable in London was charged at \$4.47 as follows: 2½% Loan 1897-1947, \$82,477.90; 3¼% Loan 1950-55, \$1,332,780.87; 4% Loan 1953-58, \$1,548,280.35; 3¼% Loan 1958-63, \$1,001,567.33.

Interest on funded debt payable in New York, including premium at 11 per cent, was charged as follows: 5% Loan 1922-52, \$5,550,000; 4% Loan 1930-60, \$4,440,000; 2½% Loan

AUDITOR GENERAL'S REPORT

1935-45, \$2,109,000; 3½% Loan 1936-61, \$1,731,600; 2½% Loan 1937-44, \$749,250; 3% Loan 1937-67, \$1,831,500; 3% Loan 1938-68, \$1,332,000; 1½% Notes 1939-41, \$69,375; 2½% Notes 1941-43, \$187,312.53.

Interest on other liabilities included: Post Office Savings Bank, 2%, \$423,762.13; Bank Circulation Redemption Fund, 3%, \$144,254.01; Dominion Stock, Issue B, 3½%, \$173.03; Compensation to Seigneurs, 6%, \$439.41; Burrard Dry Dock Pontoons Replacement Fund, 3%, \$1,482.47; Contractors Security Account, 2%, \$116,110.48; Government Officers' Guarantee Fund, 2½%, \$4,625.04; Indian Trust Funds, 5% and 6%, \$731,604.93; King George V Silver Jubilee Cancer Fund for Canada, 3%, \$13,710; Land Assurance Fund, 3%, \$517.73; National Harbours Board No. 2 Account, 2%, \$1,233.06; National Harbours Board No. 3 Account, 2%, \$10,493.50; Pilots' Pension Funds, 3%: Halifax, \$226.93; Sydney, \$240.85; Saint John, \$113.17; Montreal, \$263.24; British Columbia, \$96.63; R.C.M.P. Benefit Trust Fund, 2%, \$507.47; Strathcona Trust Fund, 4%, \$20,000; Common School Fund, 5%: Ontario, \$72,852.09; Quebec, \$61,018.31; Deferred Pay Fund, 3%: Army, \$23,806.83; Air, \$3,496.46; Civil Service Insurance Fund, 6%, \$854,006.27; Civil Service Superannuation Fund No. 5, 4%, \$2,408,586.63; Government Annuities, 4%, \$6,373,931.62; Returned Soldiers Insurance Fund, 4%, \$786,755.92; R.C.M.P. Dependents' Pension Fund, 4%, \$7,349.06; Retirement Fund, 4%, \$442,766.29; War Savings Certificates, \$653,151.47.

Annual Amortization of Bond Discount, Premiums and Commissions—

Consolidated Revenue and Audit Act, c. 27, 1931 \$10,981,591 08

Comments on Expenditures

This amount represents the amount of Bond discount, premiums and commissions on loans issued since 1930 applicable to the fiscal year 1941-42 which was credited to Discount Amortization Account and charged to the expenditures of the year. The following is a statement of the charges. Loans payable in Canada: 5% National Service Loan 1931-41, \$161,791.69; 4% Conversion Loan 1931, \$106,131.74; 4% Loan 1932-52, \$199,701.66; 4% Refunding Loan 1933-45, \$315,544.92; 3% Refunding Loan 1934-42, \$171,116.08; 3½% Refunding Loan 1934-49, \$402,475.45; 2½% Loan 1935-43, \$21,875; 3% Loan 1935-55 (June 1), \$45,000; 3% Loan 1935-55 (Nov. 15), \$54,991; 3½% Conversion Loan 1936-66, \$45,031.86; 3% Perpetual Loan 1936, \$77,866.66; 2% Conversion Loan 1937-42, \$510,000; 3½% Conversion Loan 1937-49, \$111,629.23; 2½% Refunding Loan 1937-44, \$53,571.43; 3½% Refunding Loan 1937-51, \$75,000; 2% Loan 1938-44, \$196,901.04; 3% Loan 1938-58, \$48,330; 1½% Loan 1939-42, \$392,796.48; 3% Loan 1939-58, \$46,946.59; 3½% First War Loan 1940-48/52, \$264,399.22; 2% Loan 1940-45, \$135,526.32; 3% Second War Loan 1940-42, \$544,882.19; 1½% Notes 1941-43, \$309,206.90; 1½% Notes 1941-44, \$223,055.55; 2% Victory Loan 1941-46, \$562,137.95; 3% Victory Loan 1941-51, \$10,468.99; Second Victory Loan 1942, \$252,068.63. Loans payable in London: 3½% Loan 1950-55, \$1,718,726.80; 4% Loan 1953-58, \$883,253.16; 3½% Loan 1958-63, \$1,157,528.01. Loans payable in New York: 4% Loan 1940-60, \$211,800; 2½% Loan 1935-45, \$304,000; 3½% Loan 1936-61, \$117,888; 2½% Loan 1937-44, \$75,000; 3% Loan 1937-67, \$73,333.33; 3% Loan 1938-68, \$63,333.33; 1½% Twenty Seven Months Notes 1939-41, \$1,851.86.

Servicing of Public Debt—

Redemption and Transfer of Bonds—Consolidated Revenue and

Audit Act, c. 27, 1931 \$ 163,866 74

Comments on Expenditures

Expenditures for Servicing of Public Debt, in addition to those charged to Vote 55 totalled \$163,866.74 and included the following: Bank of Montreal, London, England, stamp duty on transferred stock 1953-58 loan, \$3,317.31; 1950-55 loan, \$1,290.15; 1958-63 loan, \$1,965.13; commission for the redemption of matured or called bonds, 1953-58 loan, \$73,531.49; 1950-55 loan, \$47,326.12; 1958-63 loan, \$33,525.02; 1947 loan, \$1,944.45.

Vote 55 Servicing of Public Debt—Commission for payment of interest on public debt, Services of Fiscal Agents, London, English bill stamps, Registrars' Fees, etc.

Expenditures 165,100 00

Lapsed 116,409 06

. \$ 48,690 94

	Estimates details	Allotments authorized	Expenditures
A Services of fiscal agents, London, England..	24,200 00	24,200 00	19,811 17
B Commission for payment of coupon and fully registered interest	125,000 00	125,000 00	90,713 07
C Fees for acting as registrar	5,600 00	5,600 00	3,981 01
D English bill stamps, postage, etc.....	2,300 00	2,300 00	1,384 64
E Sundries	8,000 00	8,000 00	519 17
	<u>\$ 165,100 00</u>	<u>\$ 165,100 00</u>	<u>\$ 116,409 06</u>

Comments on Expenditures

- A This amount was comprised of payments to the Bank of Montreal, London, England, for services as fiscal agent of the Dominion for the year ended December 31, 1941, at a rate of £150 per million of sterling debt, as authorized by P.C. 3157 of October 4, 1935.
- B Payments for commission for cashing coupon and fully registered interest cheques were as follows: sundry chartered banks in Canada, \$73,979.26; sundry banks, New York, \$16,733.81.
- C This amount consisted of payments to the Bank of Montreal, New York, for fees for acting as Registrar of New York issues.

Loan Flotation Charges—Consolidated Revenue and Audit Act, c. 27, 1931\$5,367,926 19

Comments on Expenditures

Loan flotation charges, excluding discounts and commissions, amounted to \$5,367,926.19 and were charged as follows:—

A 3% Second War Loan, October 1, 1940-49/52	5,651 15
B 1% Notes, May 1, 1941-42	208 66
C 1½% Notes, October 16, 1941-44	408 24
D 2¼% New York Notes, May 1, 1941-43	69 34
E 2 and 3% 1941 Victory Loan, 1941-46/51	2,209,614 68
F 1½, 2½ and 3% Second Victory Loan, 1942-44/48/54	1,891,323 78
G War Savings Certificates and stamps	1,256,513 12
H Non-Interest Bearing Certificates	3,516 63
I Treasury Bills	620 59
	<u>\$5,367,926 19</u>

A Expenditures on account of the Second War Loan consisted of payments to the Bank of Canada and the King's Printer and were classified as follows: advertising, \$2,498.16; express, \$1,973.05; postage, \$982.42; printing and stationery, \$161.25; sundries, \$36.27.

B These charges consisted of payments to the British American Bank Note Company for engraving and furnishing notes.

C Expenditures, incurred on account of the 1941-44 1½% Notes, were comprised of payments to the British American Bank Note Company for engraving and furnishing notes.

D This amount included travelling expenses of J. G. Macfarlane, \$67.24.

E Expenses in connection with the 1941 Victory Loan totalling \$2,241,204.08 were incurred by the Dominion Executive Committee of the 1941 Victory Loan under the authority of regulations approved by the Minister of Finance pursuant to the provisions of P.C. 2247 of April 1, 1941. The following is a classification of the expenditures: salaries, \$149,880.17; travelling expenses, \$285,347.87; postage and express, \$51,335.18; communication services, \$76,407.71; rental of equipment, \$7,631.97; stationery, printing and office supplies, \$160,775.92; rental of office accommodation, \$29,006.77; light, heat and janitor service, \$8,362.23; entertainment, \$35,599.80; preparation and distribution of bonds, \$372,170.90; publicity, \$1,064,685.56, of which \$483,332.31 was for press advertising; \$87,370.70 for radio; \$79,565.83 for posters and bill boards; \$108,405.01 for literature and miscellaneous items; \$56,371.61

for Honour Program expenses; \$28,006.58 for motion pictures, \$22,232.99 for letters to bank depositors; \$4,556.72 for street car cards; \$3,737.39 for Torch Program expenses; \$31,009.55 for distributing material including mailing and express; and \$160,096.87 for provincial committee publicity expenses. An amount of \$31,589.40 representing profits on Bond Trading account was credited against these expenditures, resulting in a net charge of \$2,209,614.68.

Additional expenditures on account of the 1941 Victory Loan totalling \$17,129,345.33 were charged to Discount Amortization Account to be written off annually over the period of the loan. Of the total, \$1,551,983.78 represented amounts paid as commissions to canvassers at $\frac{1}{4}\%$ for bonds of the 1946 maturity and $\frac{1}{2}\%$ for bonds of the 1951 maturity sold to persons where names were not included on the pooled or "special names" list; \$2,036,229.72, remuneration to banks, trust and loan companies; and \$3,327,900 remuneration to dealers and brokers as authorized by P.C. 9722 of December 11, 1941. The balance of \$10,213,231.83 consisted of premiums and discounts allowed on the issue and maturity prices of the loans.

F P.C. 45 of January 7, 1942, as amended by P.C. 176 of January 9, 1942, approved the establishment of the National War Finance Committee to arrange, promote and conduct (a) the sale of the bonds of the Second Victory Loan and of such other Victory or War Loans as might from time to time be authorized; (b) the sale of War Savings Certificates and (c) campaigns designed to stimulate systematic savings and investment by the public in public issues of Dominion obligations. Section 1 (b) of the order as amended provided that regulations governing the proceedings of the National War Finance Committee and the committees thereof might be made from time to time by the chairman with the approval of the Minister of Finance. Under the provisions of this section, regulations were approved by the Minister of Finance on February 26, 1942. Loan flotation charges in connection with the issue of the Second Victory Loan totalling \$1,896,990.12 were incurred under these authorities, and were classified as follows: salaries, \$204,117.13; travelling expenses, \$296,489.57; postage and express, \$47,913.76; communication services, \$80,899.12; stationery, printing and equipment, \$108,906.84; office rental, light, heat and janitor services, \$52,182.55; expenses of organization, \$43,392.68; printing of bonds, \$317,967.97; advertising and publicity, \$745,120.50. An amount of \$5,666.34 representing profits on Bond Trading Account was credited against these expenditures resulting in a net charge of \$1,891,406.15.

In addition to the above, expenditures totalling \$3,355,937.03 were charged to Discount Amortization Account. Of this amount, \$1,654,381.58 represented commissions paid to salesmen at $\frac{3}{8}\%$ for bonds of the 1954 maturity and $\frac{3}{8}\%$ for bonds of the 1948 maturity; and \$1,379,200 remuneration to brokers and dealers as authorized by P.C. 672 of January 27, 1942. The balance of \$322,355.45 represented premiums payable at maturity on the 1954 loan.

G By P.C. 2184 of May 24, 1940, the Governor in Council approved the establishment of the War Savings Committee to promote the sale of War Savings Certificates and Stamps and authorized the payment from Consolidated Revenue Fund of such expenses of the committee as were approved by the Minister of Finance. The Bank of Canada, as fiscal agent of the government, undertook to issue and record certificates, provide assistance and lend equipment to the committee, and assumed the responsibility for making all expenditures on its behalf. From April 1, 1941, to December 31, 1941, the greater part of the expenditures in connection with the War Savings Campaign were incurred by the Committee, and payments made by the Bank on its account were recovered from the Minister of Finance.

P.C. 45 of January 7, 1942, as amended, dissolved the War Savings Committee and established the National War Finance Committee to promote the sale of bonds and, as from January 1, 1942, the sale of War Savings Certificates and Stamps. Expenditures incurred by the Committee were in accordance with the provisions of the regulations approved by the Minister of Finance pursuant to clause 1 (b) of P.C. 45 as amended.

The total charges on account of War Savings Certificates and Stamps were \$1,256,513.12 and were classified as follows: salaries, \$53,393.17; travelling expenses, \$63,048.22; postage and express, \$10,521.25; communication services, \$13,471.87; stationery, printing and equipment, \$22,339.41; office rental, light, heat and janitor service, \$24,574.38; printing of certificates and stamps, \$67,631.25; stamp losses, \$1,025.75; advertising and publicity, \$982,736.89; accountable advances, \$1,355.29; sundry expenses, \$16,415.64.

As of March 31, 1942, there were 112 employees whose salaries were charged to Cost of Loan Flotation. The following were receiving salaries of \$2,400 or over on that date: S. W. Bartlett, \$5,000; S. L. Bedson, \$2,400; H. A. Benham, \$2,700; R. R. Brough, \$3,600; A. B. Brown, \$3,600; G. M. Burn, \$3,300; B. Cody, \$3,600; A. C. Comtois, \$3,000;

H. M. Dennehy, \$3,900; H. Desaulniers, \$3,000; R. J. Dooner, \$3,600; R. J. Dunlevy, \$4,000; R. F. Eaton, \$3,000; R. Guilmette, \$3,000; E. R. Hanna, \$4,500; W. E. Herger, \$3,000; R. G. Loughlin, \$3,600; C. B. McKee, \$4,800; J. H. Neff, \$3,600; S. E. Nixon, \$6,000; J. R. Racine, \$3,000; D. Robertson, \$7,500; L. C. Sansouci, \$3,000; J. M. Skead, \$2,820; R. Spilsted, \$3,000; G. N. Stacey, \$3,600; J. Tessier, \$2,400; W. H. A. Thorburn, \$3,600; J. W. T. Torrance, \$3,000; H. Turgeon, \$3,000; B. Turnbull, \$4,000; P. C. Walters, \$2,700; W. A. Womersley, \$3,000; R. Woodbridge, \$2,820.

H Expenditures on account of Non-Interest Bearing Certificates included payments to the King's Printer for printing and finishing certificates, and to the Bank of Canada for postage and sundry printing and stationery.

I This amount, incurred in respect of Treasury Bills, included payments to the Canadian Bank Note Company for furnishing bills, and to the King's Printer for printing prospectuses.

Audit Notes

Losses of War Savings Stamps were recouped to the liability account by charging the amount of such losses to the statutory appropriation for loan flotations. The use of this authority for covering losses being irregular, a correct practice for making loss adjustments was established by Order in Council (P.C. 11—7359, Aug. 19, 1942).

Payments for publicity include, in addition to the amounts paid to publications and other advertising media, discounts allowed to or commissions added by the agencies on publications space, preparatory work, and radio line and station charges, including those billed by the Canadian Broadcasting Corporation. These discounts and commissions were seldom less than 15 per cent.

Accountable advances totalling \$1,355.29 charged to the 1941-42 accounts were outstanding at the close of the fiscal year.

Subsidies and Special Grants to Provinces

Subsidies to Provinces

Subsidies to Provinces—British North America Act

Nova Scotia	701,322 80
Prince Edward Island	381,931 88
New Brunswick	729,166 56
Quebec	2,859,244 68
Ontario	3,136,393 68
Manitoba	1,713,284 18
Saskatchewan	2,132,175 00
Alberta	1,788,589 40
British Columbia	966,513 46
	<hr/>
	\$14,408,621 64
	<hr/>

Comments on Expenditures

Subsidies to Provinces include allowances for government and legislature, allowances per head of population for local purposes, interest on debt allowances, and special subsidy grants which are paid to all provinces except Nova Scotia, Ontario and Quebec. Allowances for government and local purposes are paid on the basis of population as follows: On population under 150,000, \$100,000; on population of 150,000 to 200,000, \$150,000; on population of 200,000 to 400,000, \$180,000; on population of 400,000 to 800,000, \$190,000; on population of 800,000 to 1,500,000, \$220,000; on population over 1,500,000, \$240,000. Allowances per head of population are paid to each province at the rate of 80 cents per head of the population up to the number of 2,500,000 and at the rate of 60 cents per head of so much of the population as exceeds that number. The population is ascertained by the last decennial census, except in the cases of the Provinces of Manitoba, Saskatchewan and Alberta, where the population is determined by the last quinquennial census or the last statutory estimate of population. Allowances during 1941-42 were paid on the basis of the 1941 decennial census. By special statutory authority, subsidies to the Province of Prince Edward

Island are not affected by a decrease in population. Interest is paid to each province at the rate of 5 per cent per annum on the amount of the deficiency between the actual provincial debt assumed by the Dominion and the debt allowance.

Special grants are paid as follows: Prince Edward Island, \$155,879.90; New Brunswick, \$150,000; Manitoba, \$562,500; Saskatchewan, \$750,000; Alberta, \$562,500; British Columbia, \$100,000.

Expenditures are reported in detail in the Public Accounts.

Vote 476 Compensation to provinces—*Compensation to provinces which agree to vacate the personal income and corporation tax fields for the duration of the war, the annual amount thereof being computed in accordance with and subject to the terms and conditions of agreements approved by the Governor in Council and entered into with such provinces by His Majesty the King in the right of Canada represented by the Minister of Finance and on a basis which will produce substantially the equivalent of either—*

(a) *The revenues which the province and its municipalities obtained from these sources during the fiscal year ending nearest to December 31, 1940, less the amounts collected after the close of such fiscal year by the province and its municipalities in respect of personal income and corporation taxes levied upon incomes of 1940 or prior years or based upon the status or operations of the taxpayer in 1940 or prior years; or*

(b) *The net debt service paid by the province during the fiscal year ending nearest to December 31, 1940 (not including contributions to sinking funds) less the revenue obtained from succession duties during that period and less the amounts collected after the close of such fiscal year by the province and its municipalities in respect of personal income and corporation taxes levied upon incomes of 1940 or prior years or based upon the status or operations of the taxpayer in 1940 or prior years*

and for the payment of fiscal need subsidies to such of said provinces as enter into such agreements and can demonstrate to the satisfaction of the Governor in Council that these are necessary:

<i>an amount not exceeding</i>	45,000,000 00
<i>Expenditures</i>	21,120,443 32
<i>Lapsed</i>	\$23,879,556 68

Comments on Expenditures

In accordance with the provisions of the vote as set forth above, and with the approval of the Governor in Council, the Minister of Finance, representing His Majesty the King in the right of Canada, entered into agreements with the provinces whereby the latter agreed to vacate the personal income and corporation tax fields for the duration of the war; the provinces being paid an annual amount for compensation, calculated according to the terms of the vote.

During the fiscal year, eight provinces executed agreements with the Dominion pursuant to the provisions of special provincial enabling legislation. The ninth province, Quebec, executed a similar agreement in May, 1942. The agreements set forth, *inter alia*, the amount of the annual payments to be made by the Dominion with the proviso that from the sums payable by the Dominion each year there should be deducted the amount of any income and corporation taxes collected by the provinces and its municipalities during the term of the agreements to certain specified amounts.

The annual amounts fixed by the terms of the agreements, the gross amount due to March 31, 1942, the amount of deductions in respect of collections by the provinces and the net payments during the fiscal year were as follows:—

Province	Gross annual payments	Gross payments applicable to 1941-42	Deductions for taxes collected by Provinces and Municipalities	Net annual payments
Nova Scotia	2,911,078 03	2,911,078 03	1,611,078 03	1,300,000 00
Prince Edward Island	701,943 96	912,527 15	223,024 95	689,502 20
New Brunswick	3,650,067 45	4,562,584 31	2,450,067 45	2,112,516 86
Quebec	20,586,074 56			
Ontario	28,964,039 54	2,896,403 95		2,896,403 95
Manitoba	5,654,740 92	4,241,055 69	1,934,587 85	2,306,467 84
Saskatchewan	5,830,471 29	4,372,853 46	1,485,395 35	2,887,458 11
Alberta	4,080,860 64	4,080,860 64	2,024,948 77	2,055,911 87
British Columbia	12,048,367 51	12,048,367 51	5,176,185 02	6,872,182 49
	<u>\$84,427,643 90</u>	<u>\$36,025,730 74</u>	<u>\$14,905,287 42</u>	<u>\$21,120,443 32</u>

Audit Note

Additional payments to the Provinces of Manitoba and British Columbia, applicable to the fiscal year 1941-42, amounting to \$839,477.94 and \$1,686,709.03, respectively, were made in 1942-43 to effect adjustments in respect of the deductions for taxes collected by the provinces. The deductions on which the net compensation payments were based were \$1,934,587.85 for Manitoba and \$5,176,185.02 for British Columbia, whereas the correct amounts were \$1,095,109.91 and \$3,489,475.99.

Miscellaneous Grants and Contributions

Vote 57	Canadian General Council of the Boy Scouts	\$ 9,000 00
Vote 58	Dominion Council of the Girl Guides	\$ 4,860 00
Vote 59	Royal Astronomical Society	\$ 1,620 00
Vote 60	Royal Canadian Academy of Arts	\$ 2,025 00
Vote 61	Royal Society of Canada	\$ 4,500 00
Vote 62	Report on cultural conditions in Canada (literature, art, drama, education, etc.)	\$ 2,500 00
Vote 63	Federal District Commission—Maintenance and improvement of grounds adjoining Government Buildings, Ottawa, and for improvements to the parkway system under the control of the Federal District Commission	133,500 00
	Expenditures	131,439 09
	Lapsed	\$ 2,060 91

Comments on Expenditures

This amount was paid to the Federal District Commission. The receipts and disbursements of the Commission in respect of this service have been audited pursuant to the provisions of Section 18 of the Federal District Commission Act, c. 55, 1927.

AUDITOR GENERAL'S REPORT

Maintenance of parks, parkways and plant, Ottawa and vicinity under control of the Federal District Commission—Federal District Commission Act, c. 55, 1927, and c. 26, 1928. \$ 200,000 00

Comments on Expenditures

This amount was paid to the Federal District Commission. The receipts and disbursements of the Commission in respect of this service have been audited pursuant to the provisions of Section 18 of the Federal District Commission Act, c. 55, 1927.

Grant to the Corporation of the City of Ottawa—Ottawa Agreement Act, c. 7, 1940-41 \$ 100,000 00

Comments on Expenditures

On March 30, 1920, the Government and the Corporation of the City of Ottawa entered into an agreement providing for the payment to the Corporation of the sum of \$75,000 annually for a period of 5 years from July 1, 1919, in full satisfaction and discharge of all claims on the Government for water supplied for street sprinkling, for fire protection by the Corporation to any of the buildings or premises owned or occupied by the Government, and for use in Major's Hill Park and in other parks and driveways owned or maintained by the Ottawa Improvement Commission (now the Federal District Commission).

The agreement was ratified by c. 15, 1920, and was renewed for a period of one year by c. 59, 1924. By c. 21, 1925, the annual payment was increased to \$100,000 and the agreement was extended for 5 years. In 1931 and annually thereafter the agreement was extended for a further year, the present extension being authorized by c. 7, 1940-41.

Grant to National Battlefields Commission—National Battlefields Commission Act, c. 57, 1908, and amendments 75,000 00

Vote 420 Cost of living bonus, supplement 3,300 00

Expenditures \$ 78,300 00

Comments on Expenditures

These sums were paid to the National Battlefields Commission. The amount of \$75,000 was the annual statutory grant to the Commission. The amount of \$3,300 was allotted by Treasury Board to cover the payment of cost of living bonus to employees of the Commission. The receipts and disbursements in respect to these services have been audited pursuant to the provisions of Section 14 of the National Battlefields Commission Act, c. 57, 1908.

General

Vote 64 Tariff Board, including the Dominion Trade and Industry Commission 86,000 00

Expenditures 57,612 32

Lapsed \$ 28,387 68

	Estimates details	Allotments authorized	Expenditures
A Salaries	65,850 00	65,850 00	55,590 60
B Travelling Expenses	3,000 00	3,000 00	396 80
C Telephones and Telegrams	2,000 00	2,000 00	107 48
D Printing and Stationery	2,000 00	2,000 00	639 70
E Reporting Service	2,000 00	2,000 00	189 00
F Auditing Service	4,000 00	4,000 00	
G Dominion Trade and Industry Commission	3,000 00	3,000 00	
H Sundries	4,150 00	4,150 00	688 74
	\$ 86,000 00	\$ 86,000 00	\$ 57,612 32

Comments on Expenditures

This vote was provided for the expenses of administering the Tariff Board Act, c. 55, 1931, as amended, including expenses of inquiries into the costs of raw materials, production, labour and prices, and conditions affecting cost and price in Canada.

A As of March 31, 1942, there were 17 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: H. B. McKinnon, Chairman, \$12,000; M. N. Campbell, Vice Chairman, \$10,000; R. Cousineau, \$3,000; J. C. Leslie, \$2,940; J. R. MacGregor, \$6,000; P. G. Turner, \$4,500.

Vote 65 Expenses of the Comptroller of the Treasury's Office 2,040,457 00

Vote 477 Further amount required 60,000 00

Expenditures \$2,100,457 00
2,044,621 80

Lapsed \$ 55,835 20

	Estimates details	Allotments authorized	Expenditures
A Salaries	1,762,457 00	1,774,457 00	1,772,798 80
B Travelling Expenses	25,000 00	25,000 00	15,715 92
C Printing and Stationery	75,000 00	122,000 00	120,953 99
D Rent of Equipment	38,000 00	42,500 00	42,025 39
E Sundries	15,000 00	15,000 00	11,740 74
F Expenses in connection with the Unemploy- ment Insurance Act	185,000 00	121,500 00	81,386 96
	<u>\$2,100,457 00</u>	<u>\$2,100,457 00</u>	<u>\$2,044,621 80</u>

Comments on Expenditures

The vote was provided to defray the expenses of the Office of the Comptroller of the Treasury in carrying out the duties imposed by the Consolidated Revenue and Audit Act, c. 27, 1931, and including the issue of public moneys from the Consolidated Revenue Fund, the provision of accounting services for Government Departments, including the Unemployment Insurance Commission, and other duties assigned by the Governor in Council.

A As of March 31, 1942, there were 1,243 employees paid from this vote, including employees whose salaries were refunded by the National Harbours Board, and those whose salaries for a part of the fiscal year were charged to the War Appropriation and to Vote 112. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): B. G. McIntyre, Comptroller of the Treasury, \$9,000; A. T. Allen, \$3,300; N. C. Allen, \$4,980 (transferred to Department of National Defence Jan. 1); J. Anderson, \$4,140; T. R. C. Anderson, \$3,120; C. Angers, \$2,700; G. R. E. Ardouin, \$3,120 (July 1); A. W. Bannard, \$3,120; N. E. Beach, \$2,940; J. R. L. Beaudoin, \$2,700; E. H. Berthe, \$2,700; J. T. Bishop, \$2,700; A. L. Boswell, \$2,460; A. J. Bouthillier, \$3,120; E. J. Brindell, \$2,880; J. T. Brisson, \$3,600; M. J. Brooks, \$2,700; H. J. Brown, \$2,400; C. H. Burns, \$2,400; H. F. Caloren, \$3,120; F. J. Cameron, \$3,120; H. G. Charlton, \$3,180; J. A. Clark, \$2,580; F. G. Coburn, \$3,480; H. G. M. Cordes, \$2,820; J. E. Couillard, \$3,600; J. H. Courtemanche, \$2,700; H. C. Craig, \$4,140; L. C. Craig, \$4,260; C. C. Crocker, \$2,820; J. B. Cullen, \$2,400; H. D. Currans, \$2,400; D. J. Cuthill, \$2,700; R. E. Davis, \$3,600; J. D. Dawson, \$3,600; J. R. Dawson, \$2,700; C. E. Deruchie, \$2,400 (Apr. 23); F. W. Donkin, \$4,200; B. C. Donnelly, \$2,940; D. S. Drew, \$2,700; C. C. Duncan, \$2,520; M. E. Fagan, \$2,400; W. B. Fairbairn, \$2,880; B. A. Fauvel, \$2,400; J. H. Fee, \$2,700; F. G. Feron, \$3,360; H. V. Flegg, \$2,700; W. Foisy, \$3,600; A. V. Franklin, \$4,140; J. A. Fraser, \$3,120; E. L. Frost, \$2,580; P. E. Gagnon, \$3,240; G. A. Garland, \$2,400;

H. D. Gilman, \$3,960; R. Golding, \$3,000 (May 12, noon); H. M. Graham, \$2,700; A. Gray, \$3,180; W. J. Greenway, \$4,140; N. O. Handegord, \$2,400; E. W. Hawkins, \$2,700; J. R. Hearnden, \$2,400; H. H. Hester, \$4,140; G. A. Hoare, \$3,120; G. W. F. Hodgins, \$3,600; J. O. Hodgkin, \$5,700; F. W. Holmes, \$2,700; J. E. W. Houghton, \$3,060; W. H. Hutton, \$2,700; H. A. Jarvis, \$2,700; E. V. Jesshope, \$3,120; N. A. Keating, \$2,700; H. W. Kelley, \$2,460; J. C. Kelley, \$2,940; J. I. Kelly, \$2,700; T. L. Killeen, \$2,700 (Feb. 1); J. A. Lacombe, \$3,120; H. L. Lancaster, \$3,120; J. P. Lane, \$2,400; R. H. Lang, \$4,260; E. T. Langdon, \$4,980; A. Lapointe, \$2,700; J. Larochelle, \$2,700; J. A. R. Latendresse, \$3,600; W. Lauchlan, \$3,600; J. C. H. Legault, \$2,700; J. A. Lemay, \$4,140; J. H. Lemay, \$2,400; J. M. Lomax, \$3,600; C. E. Long, \$2,700; F. M. MacLennan, \$5,400; T. B. Mallace, \$4,200; A. Marchand, \$2,400; J. J. Marcoux, \$3,000; C. P. Matheson, \$2,700; W. J. Mattice, \$3,120; W. McCarthy, \$2,700; J. P. McCoy, \$2,400; W. W. McCullough, \$2,460; L. W. McCutcheon, \$4,140; S. McDougall, \$2,580; J. J. McGill, \$4,140; S. H. McLaren, \$4,440; E. K. McLatchie, \$2,400 (Dec. 7); J. E. McMullen, \$3,600; A. S. McPhail, \$2,700; W. E. McQuarrie, \$2,700; G. W. McRae, \$3,120; S. L. Miller, \$3,120; D. M. Minard, \$4,980 (Apr. 7); G. B. Monk, \$3,600; I. M. Morgan, \$3,600; A. R. Morisset, \$4,140 (Dec. 23); R. L. Morton, \$3,120; J. W. Myers, \$3,480; P. V. Neville, \$2,700; J. V. Noonan, \$2,400; W. J. O'Connor, \$2,700; J. A. O'Dempsey, \$2,400; F. E. O'Doherty, \$2,400; D. W. G. Oliver, \$4,800; S. A. Payne, \$2,700; W. J. Paynter, \$2,700; E. C. Phillips, \$2,580; T. F. Phillips, \$2,700; R. C. Playfair, \$4,200; G. H. Pollard, \$2,400; G. Powers, \$2,400; J. E. H. Pratte, \$4,440; W. K. Rathwell, \$3,000; H. B. Rayner, \$3,600; W. Reed, \$2,700; T. H. Reilly, \$2,460; S. V. Roberts, \$4,980; C. R. Robertson, \$2,400; J. R. Rolston, \$2,460; J. L. Roy, \$3,420; E. A. Sawyer, \$3,480; E. C. Scatcherd, \$2,940; G. M. Shaver, \$3,600; H. Sloman, \$4,800; J. Smith, \$3,600; W. E. Smith, \$2,700; H. L. Smithers, \$3,360; A. E. Smythe, \$3,120; J. M. Somerville, \$2,460; W. C. Spence, \$2,700; G. M. Stanley, \$2,400; P. C. Stephenson, \$3,600; J. Stevens, \$4,620; T. N. Stokoe, \$2,700; F. W. Stremes, \$2,820; W. A. Thornton, \$2,700; R. Tremblay, \$2,940; K. Turner, \$3,120; L. S. Virr, \$2,400; C. V. Waldorf, \$2,700; W. S. Walton, \$2,460; R. V. Waters, \$2,700; F. O. Weeks, \$4,620; J. W. Weir, \$2,700; C. L. White, \$4,800; H. J. White, \$2,700; D. G. Whittle, \$4,800; T. G. Willis, \$2,400; H. T. Wilson, \$3,420; E. E. Wood, \$4,620; F. E. Wood, \$5,000; W. J. Wood, \$2,580; E. H. S. Woodside, \$4,080; A. G. Woolsey, \$2,640; G. F. Worden, \$3,120; A. D. Wymbs, \$3,120; C. N. Yetts, \$3,120.

Two employees were receiving annual war duties supplements on March 31, as follows: K. Turner, \$1,020; J. M. Wilkinson, \$660.

B The following received travelling expenses and living allowances in excess of \$300: E. H. Berthe, \$1,026.40; J. B. Caron, \$477.15; H. G. Charlton, \$463; D. H. Connor, \$890.32; H. C. Craig, \$2,367.38; B. A. Fauvel, \$519.12; F. M. MacLennan, \$342.02; G. M. McRae, \$1,390.32; W. K. Rathwell, \$533.70; S. V. Roberts, \$969.67; A. E. Smythe, \$1,686; W. A. Thornton, \$425.40; W. J. Tubman, \$662.35; T. G. Willis, \$762.36.

D Expenditures under this allotment consisted of payments to International Business Machines, Ltd., for rental of business and accounting machines.

F Expenses in connection with the provision of accounting services for the Unemployment Insurance Commission totalled \$81,386.96 and were classified as follows: salaries, \$48,350.21; travelling expenses, \$4,925.65; printing and stationery, \$23,528.79; rent of equipment, \$2,808; sundries, \$1,774.31.

Salaries of those receiving \$2,400 per annum or over on March 31, 1942, are shown under A above.

The following received travelling expenses in excess of \$300: C. H. Banks, \$318.94; A. J. Bouthillier, \$361.99; M. J. Burns, \$435.07; H. F. Caloren, \$837.97; S. H. McLaren, \$1,636.50.

Vote 66 Farmers' Creditors Arrangement Act, 1934, and Municipal

Improvements Assistance Act, 1938, Administration	261,000 00
Expenditures	177,458 77

Lapsed	\$ 83,541 23
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	Estimates details	Allotments authorized	Expenditures
A Salaries	70,000 00	70,000 00	53,827 06
B Fees, Commissioners and Official Receivers.	83,000 00	76,000 00	55,535 08
C Travelling Expenses	37,000 00	37,000 00	21,600 51
D Stationery and Equipment	9,000 00	9,000 00	4,378 13
E Postage	15,000 00	15,000 00	8,175 01
F Rents	2,500 00	2,500 00	1,253 40
G Filing and Legal Costs	6,000 00	13,000 00	12,482 79
H Telephone and Telegrams	2,000 00	2,000 00	1,011 33
I Land appraisals	35,000 00	35,000 00	18,272 00
J Sundries	1,500 00	1,500 00	923 46
	<u>\$ 261,000 00</u>	<u>\$ 261,000 00</u>	<u>\$ 177,458 77</u>

Comments on Expenditures

Expenditures in respect to the administration of the Farmers' Creditors Arrangement Act, 1934, and the Municipal Assistance Act, 1938, totalled \$177,458.77 in 1941-42. The following is a summary of the outlay classified by provinces: Head Office (including all costs of administering the Municipal Improvements Assistance Act), \$13,185.55; Quebec, \$571.88; Ontario, \$16.29; Manitoba, \$13,907; Saskatchewan, \$92,892.29; Alberta, \$49,285.91; British Columbia, \$7,599.85.

A As of March 31, 1942, there were 32 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): C. W. Hoffman, \$3,600; C. I. Keith, \$3,000 (leave without pay from Nov. 1); H. Millican, \$3,600; J. G. Olding, \$3,000; C. A. Port, \$3,000.

B C By P.C. 1574 of April 19, 1940, a schedule of fees and allowances was authorized as of May 1, 1940, for members of Board of Review under the Farmers' Creditors Arrangement Act. Chief Commissioners, to whom no remuneration is payable under the Act, were granted a living allowance of \$15 per day and actual railway expenses while away from home. Commissioners representing debtors and creditors were allowed remuneration for their services at the rate of \$15 per day for each full day in which they were engaged on, or travelling in connection with duties pursuant to their appointment, and, in addition, an expense allowance of \$7 per day, and actual railway expenses while away from home.

Fees to Commissioners totalled \$23,021.73 during the year. The following commissioners received fees in excess of \$1,000: F. M. Borland, \$3,662.50; H. B. Fraser, \$1,950; Wm. Hall, \$3,697.50; F. H. Holmes, \$3,300; T. A. McCusker, \$3,562.50; C. Wilson, \$3,585.

Fees for Official Receivers, which amounted to \$32,513.35, were paid on the following basis as approved by the Governor in Council: (a) for composition completed without appeal to Board of Review, \$30; (b) for composition determined by Board of Review, \$15; (c) for services as trustee of farmer's estate made under the Bankruptcy Act, \$30; (d) for duties assumed pertaining to cases referred to the Board by predecessor, \$10; (e) for services on application of debtor for discharge where administration completed by farmer trustee, \$10. The following Official Receivers received fees in excess of \$1,000: A. Brehaut, \$1,487; J. M. Bright, \$1,785; S. N. Davidson, \$1,725; M. Denis, \$1,280; J. M. Goldenberg, \$1,165; H. Mackay, \$2,445; J. C. Marshall, \$1,725; M. Stechishin, \$1,800.

C Expenditures charged to this allotment included living allowances of \$15 per day and actual railway expenses as authorized by P.C. 1574 of April 19, 1940, to the following judges while acting as Chief Commissioners: Mr. Justice P. M. Anderson, \$2,160.01; Mr. Chief Justice J. T. Brown, \$2,527.17; Mr. Justice A. I. Fisher, \$3.75; Mr. Justice J. L. Loranger, \$40.60; Mr. Chief Justice C. R. Mitchell, \$2,078; Mr. Justice S. E. Richards, \$532.50; Mr. Justice S. J. Shepherd, \$319.15.

Travelling expenses and living allowances in excess of \$300 were paid to the following commissioners, registrars and official receivers: F. M. Borland, \$2,169.01; R. C. Brown, \$503.38; H. B. Fraser, \$1,142.85; Wm. Hall, \$1,163.78; F. H. Holmes, \$2,223.30; T. A. McCusker, \$1,169.22; H. Millican, \$453.35; C. A. Port, \$1,024.66; C. Wilson, \$2,017.21.

I Administrative costs of land appraisals made by the Soldier Settlement of Canada from April 1 to November 30, 1941, at \$16 each were as follows: Manitoba, \$16; Saskatchewan, \$11,744; Alberta, \$6,512.

AUDITOR GENERAL'S REPORT

Audit Note

Section 13 of the Farmers' Creditors Arrangement Act, 1934, provides that the Governor in Council may appoint a Registrar and any other necessary officers and set the rates of remuneration. P.C. 422 of February 16, 1935, provides that, subject to the approval of the Superintendent of Bankruptcy, the Registrars be allowed such disbursements as may be necessary for stenographic and clerical assistance and rent. The departmental officials and paying officers have interpreted the terms of this order as sufficient authority to make appointments to clerical positions and set the rates of remuneration without reference to the Treasury Board or the Governor in Council.

Vote 67 Salaries, reclassifications and increases, \$100,000 less	
\$28,717.47 transferred	71,282 53
Expenditures	nil
Lapsed	\$ 71,282 53

Comments on Expenditures

Amounts transferred with the approval of Treasury Board to supplement the salary allotments of other votes were as follows: Finance, Vote 46, \$4,498.07; Vote 51, \$15,663.46; Public Works, Vote 305, \$1,424.75; Transport, Vote 375, \$7,131.19.

Vote 68 Unforeseen Expenses \$80,000 less \$18,517.28 transferred	61,482 72
Expenditures	48,034 24
Lapsed	\$ 13,448 48

Comments on Expenditures

Amounts transferred by Treasury Board to other departments were as follows: External Affairs, \$23.40; Labour, \$3,335.91; Legislation, \$688.48; Mines and Resources, \$1,116.18; Public Works, \$100; Secretary of State, \$13,253.31.

Expenditures by the Department of Finance, charged to Unforeseen Expenses totalled \$48,034.24. Of this amount, \$39,962.09 represented expenditures authorized by P.C. 11/6016 of August 6, 1941, to defray the expenses of the audit of the accounts of the provinces, particularly the revenues received from the personal income tax, various corporation taxes and the gasoline tax, undertaken in order to implement the offer made by the Dominion to provide compensation to those provinces which agreed to vacate the personal income tax and corporation tax fields for the duration of the war. The amount of \$39,962.09 was paid to J. C. Thompson, F.C.A., at the rate of \$50 per day for his services, \$40 per day for a principal assistant; \$35 per day for senior assistants; \$25 per day for other chartered accountants, assisting senior men in charge of the audit in each province; and \$15 per day for junior staff.

Treasury Board Minutes T 208680B of June 19, 1941, and T 209786B of July 17, 1941, approved payments of \$1,933.92 and \$669.48, respectively, in connection with the Dominion Provincial conference on the "Sirois" Report. The former amount was paid to the Bank of Canada for disbursements made by it as follows: printing and stationery, \$1,814; newspapers, books and periodicals, \$67.40; postage, \$18.73 and express, \$33.79. The amount of \$669.48 was for professional services.

A grant of \$5,000 to the International Red Cross Committee was approved by Treasury Board Minute T 211081B of August 14, 1941, and charged to Unforeseen Expenses.

An amount of \$468.75 was paid to the estate of the late Sir Frederick Banting, representing Sir Frederick's pension for the period from February 1 to February 21, 1941, under the authority of T 228702B of August 13, 1942.

Vote 420 Cost of living bonus, \$1,300,000 less \$1,017,337.62 transferred	282,662 38
Expenditures	nil
Lapsed	\$ 282,662 38

Comments on Expenditures

Allotments transferred with the approval of Treasury Board to supplement the salary allotments of other votes were as follows: Agriculture, Vote 2, \$2,546.96; Vote 5, \$209.55; Vote 8, \$4,647.11; Vote 9, \$451.80; Vote 11, \$11,486.78; Finance, Vote 46, \$10,832.69; Vote 51, \$3,046.55; Legislation, Vote 118, \$14,164.54; Mines and Resources, Vote 143, \$3,278.19; Vote 150, \$190.56; Pensions and National Health, Vote 203, \$39,169.85; Vote 218, \$533.41; Post Office, Vote 241, \$4,453.74; Vote 242, \$797,273.34; Vote 244, \$52,255.45; Vote 246, \$11,371.30; Public Printing and Stationery, Vote 251, \$285.76; Secretary of State, Vote 326, \$906.20; Vote 336, \$282.96; Labour, Vote 99, \$2,518.02; Vote 100, \$1,429.50; Vote 101, \$32.30; Vote 105, \$854.97; Trade and Commerce, Vote 340, \$2,105.60; Vote 345, \$73.60; Vote 347, \$602.26; Vote 352, \$4,100; Vote 353, \$17,794.99; Vote 357, \$190.56; Transport, Vote 370, \$975.64; Vote 353, \$11,517.79; Vote 375, \$7,761.20; Vote 383, \$502.77; Vote 385, \$1,297.59; Vote 390, \$871.21; Vote 391, \$2,526.94; Vote 399, \$666.96; Vote 406, \$828.98.

In addition to the above, an amount of \$3,300 was allotted and paid to the National Battlefields Commission to supplement the statutory grant to that body.

Redemption of Previous Years' Cheques—Consolidated Revenue and

Audit Act, c. 27, 1931\$ **893 99**

Comments on Expenditures

This amount was required to cover the payment of cheques, the provision for which had been transferred through Casual Revenue to Consolidated Fund. The expenditures included an amount of \$261.25 to cover unclaimed interest cheques cancelled from the balance previously transferred to Casual Revenue. The balance of \$632.74 represented payment of cheques issued prior to 1930-31 and transferred to Consolidated Fund, and which were presented for payment and charged to outstanding cheque account during 1941-42.

Coal Subsidies and Subventions

Vote 173 Dominion Fuel Board: Administration and Investigations **27,415 00**
Expenditures **26,954 41**
Lapsed\$ **460 59**

	Estimates details	Allotments authorized	Expenditures
A Salaries	23,355 00	22,455 00	22,452 85
B Printing and Stationery	1,000 00	1,000 00	794 45
C Travel (Field Studies)	1,000 00	600 00	535 53
D Sundries	2,060 00	3,360 00	3,171 58
	<u>\$ 27,415 00</u>	<u>\$ 27,415 00</u>	<u>\$ 26,954 41</u>

Comments on Expenditures

A As of March 31, 1942, there were 10 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. R. Cox, \$3,480; H. MacDonald, \$3,600; T. Marshall, \$2,700; F. G. Neate, \$4,620; C. L. O'Brian, \$3,300. The salary of H. MacDonald was paid from this vote and subsequently recovered monthly from the Dominion Steel and Coal Corporation, Sydney, N.S., in accordance with Section 5, Chapter 6, Geo. V, 1930, which directs that the expenses of inspection be recoverable from the manufacturer making claim for subsidy.

C Travelling expenses in excess of \$300 were: C. L. O'Brian, \$383.18.

D Included in this allotment are telegraph costs of \$2,664.17.

AUDITOR GENERAL'S REPORT

Vote 174	Payments in connection with the movements of coal under conditions prescribed by the Governor in Council	4,500,000 00
	Expenditures	4,421,146 42
	Lapsed	\$ 78,853 58

Comments on Expenditures

Subventions were paid to the following companies: Canadian Collieries (Dunsmuir) Ltd., B.C., \$70,355.59; Canadian National Railways, \$966,958.60; Canadian Pacific Railway, \$1,660,301.63; Cumberland Railway and Coal Company, Sydney, N.S., \$409.29; Crow's Nest Pass Coal Co. Ltd., Fernie, B.C., \$11,119.27; Dominion Coal Co. Ltd., Montreal, P.Q., \$1,542,588.83; Maritime Coal, Railway and Power Co. Ltd., Amherst, N.S., \$2,680.74; Mountain Park Coals, Ltd., Edmonton, Alta., \$10,367.87; Sydney and Louisburg Railway Co., Sydney, N.S., \$156,364.60.

Subsidies under the Domestic Fuel Act, c. 52, 1927	\$ 53,013 00
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Comments on Expenditures

Subsidies were paid to the following companies at \$1 per net ton of Canadian coal used in the production of coke sold for domestic use: British Columbia Electric Power and Gas Co. Ltd., \$29,935.82; Nova Scotia Light and Power Co. Ltd., \$8,789.26; Quebec Power Co., \$14,287.92.

The quantity of Canadian coal used and the quantity and percentage of coke produced from this coal is as follows:

Company	Coal	Coke	Percentage
British Columbia Electric Power and Gas Co. Ltd.	29,935.82 tons	20,057 tons	67
Nova Scotia Light and Power Co., Ltd.	8,789.26 tons	5,361.45 tons	61
Quebec Power Co.	14,287.92 tons	8,929.952 tons	62.5

Subsidy payments under an Act to place Canadian coal used in the manufacture of iron or steel on a basis of equality with imported coal, c. 6, 1930	\$ 379,058 59
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Comments on Expenditures

Subsidies of 49½ cents per net ton of bituminous coal mined in Canada and converted into coke and used in the smelting of iron and in the manufacture of steel ingots or castings were paid to the Dominion Steel and Coal Corporation Limited, Sydney, Nova Scotia, as follows: Iron, \$373,470.07; steel ingots or castings, \$5,588.52.

See Vote 173 regarding expenses of inspection.

Special

Vote 112	Administrative Expenses generally including temporary appointments—Comptroller of the Treasury	18,000 00
	Expenditures	17,952 32
	Lapsed	\$ 47 68

Comments on Expenditures

These expenditures of the Comptroller of the Treasury's Office incurred in connection with the field examination of accounts under relief legislation were in addition to those charged to Vote 65 and the War Appropriation, 1941, and were charged as follows: salaries, \$12,892.84; travel, \$4,089.55; sundries, \$969.93.

Expenditures charged to this allotment include the salaries of employees of the Comptroller of the Treasury's Office for the period of their employment in connection with the auditing of relief accounts. Salaries of those receiving \$2,400 or more per annum are shown under Vote 65.

The following received travelling expenses in excess of \$300: J. T. Brisson, \$1,487.48; W. W. Holcombe, \$1,282.01.

Write Down of Assets

Canadian National Railways Securities Trust Stock—Canadian National Railways Capital Revision Act, c. 22, 1937 **\$2,539,187 21**

Comments on Expenditures

The capital stock of the Canadian National Railways Securities Trust was reduced during the year by \$2,539,187.21 due to line and property abandonments arising out of transactions during and applicable to the calendar year 1941.

Cancellation of Canadian Farm Loan Capital Stock—Canadian Farm Loan Act, c. 66, R.S. and amendments **\$ 9,613 00**

Comments on Expenditures

Under the authority of the Canadian Farm Loan Act, capital stock subscribed by the Dominion Government totalling \$9,613 was cancelled during the year. Of this amount, \$5,813 was for first and second mortgage loans where title was transferred to the Canadian Farm Loan Board; \$3,600 was for subscriptions written down in virtue of proposals formulated under the Farmers' Creditors Arrangement Act, c. 53, 1934; and \$200 was on account of composition agreements as provided by Section 4 (g) of the Canadian Farm Loan Act.

Other Charges

Provision for Reserve Account—Loans and Advances—Consolidated Revenue and Audit Act, c. 27, 1931 **\$25,000,000 00**

Comments on Expenditures

This amount was charged to Consolidated Fund to make additional provision for a reserve for possible losses in the ultimate realization of Active Loans and Advances. The reserve now amounts to \$50,000,000.

Non-Active Accounts

Increase in Canadian National Railways Securities Trust Stock—Canadian National Railways Capital Revision Act, c. 22, 1937 **\$4,115,600 91**

Comments on Expenditures

The Canadian National Railways Securities Trust Stock was increased by \$4,115,600.91 during the year and was accounted for as a capital gain through the Proprietors' Equity Account which is included in the net debt of Canada as a non-active account, and is so reflected in the Dominion's Balance Sheet. The total of \$4,115,600.91 is offset by a similar amount included as a special credit to Consolidated Fund.

Of the total, \$4,016,326.74 represents the increase of the Dominion's equity in the Canadian National Railways due to the surplus earnings of the railway system for the calendar year 1941.

The balance of \$99,274.17 is due to the capital gain in the redemption of Grand Trunk Railway 4% perpetual debenture stock, included as part of the outstanding funded debt of the Canadian National Railway Company, and on which payment of interest was guaranteed by the Dominion pursuant to the provisions of the Grand Trunk Railway Acquisition Act, 1919. Under an order dated October 26, 1940, made by His Majesty's Treasury of the United Kingdom, such portion of the debenture stock as was held by residents in the United Kingdom was transferred to the Treasury at a vesting price of £103-17-4 per £100 stock surrendered, payable November 26, 1940, plus £0-7-1 accrued interest, and subject to the condition that the Canadian National Railway Company would purchase the stock at the vesting price. By P.C. 6002 of October 25, 1940, under and by virtue the Canadian

National Railways Financing and Guarantee Act, 1940, and the War Measures Act, the company was authorized to purchase the securities. The amount of stock held by residents of the United Kingdom had not been definitely determined at the time of the closing of the 1940 accounts of the Company, so the accounts were prepared on the basis that a total of £22,500,000 would be redeemed and any necessary adjustment would be entered in the accounts for 1941. The redemption of this amount at the prevailing rate of exchange would have effected a reduction of \$5,503,500 on the outstanding debt of the railway. The amount of debenture stock actually redeemed under the vesting order to December 31, 1941, amounted to £22,760,000, resulting in a reduction of \$5,567,096 in the outstanding debt of the railway and consequently \$63,596 remained to be dealt with in 1941.

A further amount of £139,890 was also redeemed in 1941 under an offer dated December 14, 1940, made to residents of Canada, which resulted in a reduction of \$35,678.17 in the railway debt.

The total reduction in the railway debt amounting to \$5,602,774.17 was thus accounted for, \$5,503,500 in the 1940 accounts and \$99,274.17 in the 1941 accounts.

Loans and Investments

In addition to the expenditures for the year, under the authority of continuing statutory provisions, the Department of Finance paid out amounts totalling \$4,134,458.86 for loans and investments which were classified as active in the Balance Sheet in accordance with the definition adopted in 1920. Credits during the year totalled \$3,103,938.24, of which \$3,094,325.24 represented cash repayments and \$9,613 write-offs to expenditures.

	Loans out- standing April 1, 1941	Advances during year	Repayments and other credits during year	Loans out- standing March 31, 1942
A Canadian Farm Loan Board, Advances and Capital Stock	37,521,468 00	25,427 00	1,009,613 00	36,537,282 00
B Dominion and National Housing Acts, Advances..	13,609,929 61	3,508,394 31	864,228 94	16,254,094 98
C Foreign Governments—Ad- vances	30,854,262 40			30,854,262 40
D Municipal Improvements As- sistance Act	5,644,606 66	600,637 55	268,983 56	5,976,260 65
E Housing Loans to Provinces	870,500 00		740,000 00	130,500 00
F Unemployment Relief Loans to Provinces	157,492,294 23		217,272 74	157,275,021 49
G Alberta Subsidy overpay- ment	468,750 00			468,750 00
H Saskatchewan—Power Com- mission	57,600 00		3,840 00	53,760 00
	<u>\$246,519,410 90</u>	<u>\$4,134,458 86</u>	<u>\$3,103,938 24</u>	<u>\$247,549,931 52</u>

A Advances to the Canadian Farm Loan Board amounted to \$25,427 during the fiscal year and amounts totalling \$1,009,613 were credited to the account. Under the authority of the Canadian Farm Loan Act, c. 66, R.S. and amendments, the Government purchased capital stock amounting to \$25,427, while \$9,613 was cancelled and written off to Consolidated Fund, leaving a debit balance of \$2,256,763 in the capital stock subscription account on March 31, 1942. Canadian Farm Loan Bonds amounting to \$1,000,000 were redeemed during the year, the debit balance of the investment account being \$29,200,000 on March 31, 1942. No advances for initial capital or subscriptions for capital stock were made under authority of the Canadian Fisherman's Loan Act, c. 52, 1935, during the year, the balances on March 31, 1942, being \$29,000 and \$1,519, respectively.

Interest amounting to \$1,235,845.81 was received during the year and credited to Interest on Investments. Of the total, \$175,585.54 represented interest on initial capital advances, and \$1,060,260.27 interest at 3½ per cent on Farm Loan Bonds. Initial capital advances are free of interest for a period of three years.

- B** The Dominion's share of loans under the Dominion Housing Act, c. 58, 1935, and the National Housing Act, c. 49, 1938, totalled \$16,254,094.98 on March 31, 1942, an increase of \$2,644,165.37 over the corresponding amount of \$13,609,929.61 on March 31, 1941. The Dominion's share of advances during the fiscal year amounted to \$3,508,394.31 and repayments totalling \$864,228.94 were received and credited to the investment account. The Government's share of profits on the realization of defaulted loans amounting to \$279.39 was reduced by its share of losses amounting to \$179.26, leaving a net profit of \$100.13 which was credited to Casual Revenue.
- C** No payments of principal or interest were received during the year on account of advances to the Governments of Greece and Roumania which amounted to \$6,525,000 and \$24,329,262.40, respectively, on March 31, 1942.
- D** Amounts totalling \$600,637.55 were advanced under authority of the Municipal Improvements Assistance Act, c. 33, 1938, while repayments of principal amounted to \$268,983.56, the balance outstanding on March 31, 1942, being \$5,976,260.65. During the fiscal year, interest amounting to \$114,823.88 was received and credited to Interest on Investments.
- E** Housing loans made to provinces during the years 1919 to 1924 under the authority of P.C. 2997 of December 3, 1918, and amendments were repaid to the extent of \$740,000 during 1941-42, the balance outstanding on March 31, 1942, being \$130,500. Repayments were credited as follows: Manitoba, \$350,000; British Columbia, \$340,000. Interest at 5 per cent to a total of \$25,979.46 was received during the year and credited to Interest on Investments.
- F** No further loans were made to the provinces during the year for Unemployment or Agricultural Assistance. Repayments during 1941-42 amounting to \$217,272.74 were received and credited as follows: Alberta, \$46,000; British Columbia, \$171,272.74. Interest amounting to \$2,793,954.45 was received and credited to Interest on Investments during the fiscal year.
- G** No repayment of principal was received during the year on account of the advances to the Province of Alberta in respect to overpayments of subsidy in the years 1914-16. Interest at 3 per cent was received and credited to Interest on Investments.
- H** The loan of \$57,600 to the Province of Saskatchewan authorized by P.C. 4891 of September 17, 1940, to enable the Saskatchewan Power Commission to extend its system to the Bombing and Gunnery School at Dafoe, Saskatchewan, bears interest at $3\frac{1}{2}$ per cent and is repayable in thirty half-yearly instalments, commencing May 15, 1941. Repayment of principal totalling \$3,840 was received during the year, and interest amounting to \$1,880.22 was credited to Interest on Investments.
- The governing Order in Council recited that the loan was authorized "under and by virtue of the powers conferred by the War Measures Act and otherwise." It was noted in the previous report that the War Measures Act did not appear to vest in the Governor in Council any power to appropriate the Consolidated Revenue Fund. By P.C. 3436 of April 28, 1942, the loan was declared to have been made from moneys appropriated under the War Appropriation Act, 1940, thus correcting an accounting irregularity.

DEPARTMENT OF FISHERIES

REVENUES

	Summary	1941-42	1940-41
Ordinary Revenue—			
A Licence Fees		39,464 92	42,142 75
B Inspection Fees		19,120 38	7,525 94
C Oyster Leases		2,285 87	2,208 74
D "Modus Vivendi" Licences		362 00	276 00
E Pelagic Sealing		325,131 12	160,810 77
F Casual Revenue		10,475 70	8,529 59
G Fines and Forfeitures		19,428 40	10,424 11
		\$ 416,268 39	\$ 231,917 90

Certified correct.

D. B. FINN,
Deputy Minister.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

- A** Licences, ranging from 25 cents for lobster fishing to \$500 for trawler licences, were issued in various provinces, the proceeds from which amounted to: Prince Edward Island, \$842; Nova Scotia, \$8,298.17; New Brunswick, \$9,124.75; Quebec, \$171; British Columbia, \$20,567; Yukon Territory, \$420; North West Territories, \$40; Hudson Bay District, \$2. A fishery lease was issued to the Dark Harbour Co. Ltd., covering fishing privileges in the area of Dark Harbour, N.B., at a yearly rental of \$25.
- B** Inspection fees at the rate of one-half cent per case of forty-eight one-pound cans, or the equivalent thereof, covering certificates for all salmon and herring packed in British Columbia, amounted to \$19,120.38.
- C** Oyster leases were issued in the provinces of Prince Edward Island and Nova Scotia, the proceeds therefrom being respectively, \$1,733.30 and \$552.57.
- D** "Modus Vivendi" licences were issued to United States fishing vessels at a charge of \$1.00 per licence.
- E** Under the terms of the Pelagic Sealing Treaty of 1911, Canada is to receive from the United States 15 per cent of the total number of sealskins taken annually upon the Pribilof Islands; from Japan 10 per cent of the total number of sealskins taken upon Robben Island and from Russia 15 per cent of the total number of sealskins taken upon the Commander Islands. Canada has received during the fiscal year 1941-42 proceeds from the sale of skins as follows:—

U.S.A. Pribilof Islands rookeries: 8,000 skins marketed in Montreal, \$243,631.66; Canada's share of proceeds from sale of 30,012 skins sold in St. Louis, U.S.A., \$76,753.24; 135 skins sold to C. W. Martin & Sons for experimental purposes, \$1,887.30.

Japanese rookeries: 300 skins for 1940, \$2,858.92.

No statement of take or proceeds, if any, has been received from Russia.

The cost of dressing and dyeing, including freight, customs and excise duties, warehouse expenses, etc., amounting to \$93,941.32, was charged to Vote 80.

F Casual Revenue represents the proceeds from: Department's share of receipts in the showing of the film "Teeming Treasures," \$261.98; sales of oysters and fish, \$7,941.10; salvage material, etc., \$146.63; stationery, booklets, etc., \$250.50; trout fry and fingerlings, \$578.50; fishing bounty cheques returned, \$142.46; Salt Fish Board deficiency payment cheques returned, \$7.75; sundries, \$1,146.78.

G Fines and forfeitures: Fines imposed and sales of confiscations under the following Acts: Fisheries Act: Prince Edward Island, \$632; Nova Scotia, \$818.57; New Brunswick, \$1,047; British Columbia, \$8,565; Northern Pacific Halibut Fishery Act: British Columbia, \$8,365.83.

Audit Note

Fines imposed for infractions of the Fisheries Act, amounting to approximately \$865, were remitted by the Minister under Section 94 of the Act.

APPROPRIATIONS AND EXPENDITURES

A total of \$2,229,439.60 was available for expenditure on account of the Department of Fisheries, of which \$2,057,480 was provided in the annual appropriation Acts and \$171,959.60 was authorized by continuing statutory provisions. Expenditures were \$1,704,358.69 for the fiscal year 1941-42, a decrease of \$300,998.86 as compared with those of \$2,005,357.55 in 1940-41.

In addition, a total of \$113,500 was allotted to the Department from the War Appropriation. Expenditures thereunder amounting to \$106,097.01 are shown in the War Expenditure section of this report.

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
Statutory	Salary of Minister, Salaries, Act, c. 182, R.S.	10,000 00	10,000 00	
Statutory	Motor Car Allowance to Minister, Appropriation Act No. 5, c. 61, 1931	2,000 00	2,000 00	
69	Departmental Administration	128,480 00	122,623 89	5,856 11
70	Fisheries Inspection, including Fishery Officers and Guardians, Fisheries Patrol and Protection Services	767,000 00	750,996 22	16,003 78
71	Building Fishways and Clearing Rivers	7,000 00	3,326 26	3,673 74
72	Development of the Deep Sea Fisheries and the Demand for Fish	50,000 00	29,427 68	20,572 32
73	Salt Fish Board	25,000 00	12,157 48	12,842 52
74	Fish Culture	190,000 00	175,952 43	14,047 57
75	Oyster Culture	24,000 00	21,256 19	2,743 81
76	Fisheries Research Board of Canada	238,000 00	218,427 82	19,572 18
77	Canadian share of expenses of the International Fisheries Commission appointed under Treaty dated Mar. 2, 1923, between Canada and the United States for the preservation of the North Pacific Halibut Fishery	25,000 00	24,321 86	678 14
78	Canadian share of expenses of the International Pacific Salmon Fisheries Commission under Treaty between Canada and the United States for the protection, preservation and extension of the Sockeye Salmon Fisheries of the Fraser River System	40,000 00	39,886 30	113 70

AUDITOR GENERAL'S REPORT

<u>Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
79	Grant to the United Maritime Fishermen's Association	3,000 00	3,000 00	
80	Transportation, dressing and dyeing, and other expenses incidental to receiving and disposing of fur seal skins accruing to Canada pursuant to the Pelagic Sealing Treaty, 1911	120,000 00	93,941 32	26,058 68
81	Payment of a bounty for the destruction of Harbour Seals.....	15,000 00	11,794 50	3,205 50
Statutory	Fishing Bounty, c. 74, R.S.....	159,959 60	159,959 60	
Total Ordinary Expenditure ...		\$1,804,439 60	\$1,679,071 55	\$ 125,368 05
Special				
82	Extension of educational work in co-operative producing and selling among fishermen	25,000 00	24,692 44	307 56
83	Assisting the Salt Fish Branch of the Fishing Industry	400,000 00	594 70	399,405 30
Total Special Expenditure		425,000 00	25,287 14	399,712 86
Total		\$2,229,439 60	\$1,704,358 69	\$ 525,080 91

Certified correct.

B. G. MCINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act and, subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

<i>Salary of Minister, Salaries Act, c. 182, R.S., Hon. J. E. Michaud</i>	\$ 10,000 00
<i>Motor Car Allowance to Minister, Appropriation Act No. 5, c. 61, 1931</i>	2,000 00
Vote 69 Departmental Administration	128,480 00
Expenditures	122,623 89
Lapsed	\$ 5,856 11

	<u>Estimates details</u>	<u>Allotments authorized</u>	<u>Expenditures</u>
A Salaries	110,780 00	110,780 00	106,959 86
B Printing and Stationery	5,000 00	4,000 00	3,281 89
C Travelling Expenses	6,200 00	7,200 00	6,354 15
D Sundries	6,500 00	6,500 00	6,027 99
	\$ 128,480 00	\$ 128,480 00	\$ 122,623 89

Comments on Expenditures

A As of March 31, 1942, there were 57 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: D. B. Finn, Deputy Minister, \$8,000; E. Bosse, \$3,600; C. Bruce, \$4,140; M. M. Cummings, \$2,400; H. P. Evans, \$2,400; G. M. Graham, \$2,400; J. J. Lamb, \$3,240; H. A. Lynch, \$3,300; G. McCann, \$2,400; H. F. S. Paisley, \$3,780; F. J. Petry, \$3,420; D. H. Sutherland, \$4,500; A. J. Whitmore, \$3,660.

C Travelling expenses of \$300 or over were: Hon. J. E. Michaud, Minister, \$600; D. B. Finn, Deputy Minister, \$2,430.72; E. Bosse, \$541.33; H. A. Lynch, \$966.49; A. J. Whitmore, \$980.27.

D The expenditure for postage, telegrams and telephones amounted to \$5,194.82.

Vote 70 Fisheries Inspection, including Fishery Officers and Guardians,	
Fisheries Patrol and Protection Services	767,000 00
Expenditures	750,996 22
Lapsed	\$ 16,003 78

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	504,952 00	512,052 00	511,985 95
B Allowances (Board)		3,400 00	3,288 30
C Printing and Stationery	16,000 00	16,000 00	11,751 11
D Travelling Expenses	115,079 00	115,079 00	106,863 57
E Sundries	130,969 00	120,469 00	117,107 29
	\$ 767,000 00	\$ 767,000 00	\$ 750,996 22

Comments on Expenditures

A D The following officials, in receipt of annual salaries of \$1,800 or over, as of March 31, 1942, or at noted date of separation, together with the actual amounts paid to guardians, are shown by provinces and districts. The travelling expenses are shown in brackets.

Eastern Division, Fishery Officers and Guardians:—

Nova Scotia:

Headquarters, Halifax: A. L. Barry, chief supervisor, \$3,720 (\$1,860.69); R. Gray, \$2,760 (\$1,136.09); R. G. McKay, \$2,760 (\$130.34); E. A. Horne, \$1,920 (\$49.95); K. Sollows, \$1,800 (\$2,021.55).

Sydney and District: W. McAulay, district supervisor, \$2,400 (\$744.62); inspectors: T. H. Kitchen, \$1,800 (\$990.57); A. J. Murphy, \$1,800 (\$736.85); J. M. O'Toole, \$1,800 (\$932.67); R. F. Sampson, \$1,800 (\$746.39); P. W. Smith, \$1,800 (\$989.10); A. K. Wilkie, \$1,800 (\$697); under \$1,800: 1 inspector (\$829.33); gasoline, oil, \$103.43; guardians, \$11,295 (\$951.03).

Pictou and District: E. D. Fraser, district supervisor, \$2,760 (\$1,187.87); inspectors: G. M. Adamson, \$1,800 (\$519.53); E. M. Arnold, \$1,800 (\$637.30); E. G. Beaver, \$1,800 (\$657.07); A. P. Fitzgerald, \$1,800 (\$661.45); W. G. Harris, \$1,800 (\$547.45); J. P. Henneberry, \$1,800 (\$703.79); C. C. Hollis, \$1,800, Dec. 1 on military leave (\$473.48); S. J. Homans, \$1,800 (\$1,163.75); M. M. Manson, \$1,800 (\$552.77); D. M. Pettis, \$1,800 (\$647.85); F. Swaine, \$1,800 (\$766.25); under \$1,800: 3 inspectors (\$1,163.94); guardians, \$10,176.39 (\$2,754.04).

Digby and District: H. H. Marshall, district supervisor, \$2,760 (\$900.55); inspectors: J. P. Buchanan, \$1,800 (\$846.55); P. E. Filleul, \$1,800 (\$847.45); A. S. Kenney, \$1,800 (\$720.80); H. G. Locke, \$1,800 (\$608.40); W. J. Naas, \$1,800 (\$614.10); J. H. Thibault, \$1,800 (\$709.85); F. Watson, \$1,800 (\$724.15); under \$1,800: 5 inspectors (\$3,052.10); gasoline, oil, \$88.28; guardians, \$14,121.74 (\$1,887.47).

Prince Edward Island:

Charlottetown and District: J. J. Larabee, district supervisor, \$2,760 (\$854.76); inspectors: L. C. Johnston, \$1,800 (\$992.10); P. C. Martin, \$1,800 (\$1,025.35); P. A. McLellan, \$1,800 (\$770.35); J. C. Shaw, \$1,800 (\$1,243.20); under \$1,800: 3 inspectors (\$2,099.57); gasoline, oil, \$426.73; guardians, \$7,726.21 (\$2,440.89).
Magdalen Islands: inspectors: W. S. Arsenaault, \$1,800 (\$565.10); C. Clark, \$1,800 (\$569.10); gasoline, oil, \$442.57; guardians, \$975.

New Brunswick:

Welchpool and District: F. E. Justason, district supervisor, \$2,280 (\$1,130.15); inspectors: B. Barnes, \$1,800 (\$808.80); B. B. Brittain, \$1,800 (\$489.97); O. A. Rigby, \$1,800 (\$895.10); D. L. Thompson, \$1,800 (\$723.91); under \$1,800: 2 inspectors (\$775.75); gasoline, oil, \$194.29; guardians, \$3,891.72 (\$1,496.52).

AUDITOR GENERAL'S REPORT

Newcastle and District: T. C. Collette, district supervisor, \$2,280 (\$903.91); inspectors: T. Bell, \$1,800 (\$982.90); F. J. Breau, \$1,800 (\$947.15); L. J. Doucet, \$1,800 (\$900.87); C. Guignard, \$1,800 (\$1,016.45); L. J. Landry, \$1,800 (\$886.45); R. G. Long, \$1,800 (\$702.25); J. J. Losier, \$1,800 (\$736.65); A. A. Robichaud, \$1,800 (\$987.75); under \$1,800: 3 inspectors (\$2,468.52); gasoline, oil, \$1,124.22; guardians, \$16,576.08 (\$3,350.58).

Fredericton and District: L. H. Parks, district supervisor, \$2,760 (\$711.68); under \$1,800: 4 inspectors (\$2,783.39); gasoline, oil, \$77.55; guardians, \$14,388.55 (\$795).

Western Division, Fishery Officers and Guardians:—

British Columbia:

Headquarters, Vancouver: J. A. Motherwell, division supervisor, \$4,020 (\$581.45); A. Mackie, \$2,760, Dec. 27; W. M. Chapman, \$2,700 (\$70.97); J. McHugh, \$3,420; L. G. Swann, \$2,400 (\$42.75); T. Taylor, \$1,920 (\$34.50).

New Westminster and District: R. W. MacLeod, district supervisor, \$2,760 (\$785.33); inspectors: D. Lockwood, \$1,800 (\$895.51); G. L. Stock, \$1,800 (\$68.60); under \$1,800: 5 inspectors (\$4,339.70); gasoline, oil, supplies, \$104.23; guardians, \$4,538.20 (\$3,649.62).

Prince Rupert and District: J. Boyd, district supervisor, \$2,760 (\$142.30); inspectors: R. C. Edwards, \$1,800 (\$223.20); C. Lord, \$1,800 (\$140.55); A. McIver, \$1,800 (\$270.30); G. E. Moore, \$1,800 (\$224.65); G. S. Reade, \$1,800 (\$197.70); E. S. Richardson, \$1,800 (\$467.08); W. Strachan, \$1,800 (\$394.99); I. Urseth, \$1,800 (\$711.35); F. Warne, collector of revenue, \$2,040 (\$305.30); under \$1,800: 1 inspector (\$1,067.94); gasoline, oil, \$50.21; guardians, \$9,492.20 (\$1,582.40).

Nanaimo and District: J. F. Tait, district supervisor, \$2,760 (\$862.23); inspectors: S. Boond, \$1,800 (\$168); D. S. Cameron, \$1,800 (\$149.02); H. G. Dane, \$1,800 (\$458.15); A. F. Lloyd, \$1,800 (\$987.78); A. MacDonald, \$1,800 (\$1,122.10); M. MacLeod, \$1,800 (\$774.15); H. Mahoney, \$1,800 (\$733.80); A. N. McKinnon, \$1,800 (\$827.13); A. Park, \$1,800 (\$1,016.25); R. Pilling, \$1,800 (\$507.10); J. C. Scott, \$1,800 (\$669.60); under \$1,800: 1 inspector (\$474.05); gasoline, oil, supplies, \$1,994.77; guardians, \$4,437.19 (\$1,513.24).

Canned Salmon Inspection Office: F. Charnley, \$3,600.

The wages of the officers and crews of the Fisheries Protection Service and Fisheries Patrol Service were charged to this allotment.

A summary of the expenditure of this vote follows:

Eastern Division:—

Fishery Officers and Guardians: Nova Scotia, \$172,480.02; Prince Edward Island, \$41,943.56; New Brunswick, \$116,641.54; general account, \$7,866.33..	338,931 45
Fishery Patrol Service showing boats with operating expenses over \$2,000: <i>Andrew Halkett</i> , \$8,586.69; <i>Capelin</i> , \$6,694.15; <i>Capital</i> , \$3,542.01; <i>Gannet Rock No. 2</i> , \$4,429.47; <i>Gilbert</i> , \$5,240.41; <i>Gulf Racer</i> , \$3,269.20; <i>Gulf Raider</i> , \$3,831.48; <i>Gulf Runner</i> , \$3,281.99; <i>Gulf Scout</i> , \$3,384.42; <i>Olga J. M.</i> , \$2,072.15; <i>Thresher</i> , \$8,053.50; boats under \$2,000: 11, \$6,081.07; general account, \$36	58,502 54
General Accounts: Quebec, \$392.76; Ontario, \$7.42	400 18

Western Division:—

Fishery Officers and Guardians: British Columbia, \$124,289.17; general account, \$36,173.05	160,462 22
Fishery Patrol Service showing boats with operating expenses over \$2,000: <i>Beldis</i> , \$4,831.69; <i>Berma</i> , \$2,219.02; <i>Black Raven No. 2</i> , \$4,646.02; <i>Bonila Rock No. 2</i> , \$3,592.07; <i>Charles Todd</i> , \$2,633.90; <i>Cloyah No. 2</i> , \$4,701.83; <i>Clupea</i> , \$3,754.28; <i>Egret Plume No. 2</i> , \$4,395.19; <i>F.O. No. 101</i> , \$4,928.75; <i>Ila</i> , \$2,699.14; <i>Linnea</i> , \$2,136.56; <i>Marisa</i> , \$2,439.56; <i>Merry Sea No. 2</i> , \$5,595.64; <i>Metra</i> , \$3,144.11; <i>Onerka No. 2</i> , \$2,540.14; <i>Pursepa</i> , \$3,915.30; <i>Rividis</i> , \$6,439; <i>Senepa</i> , \$3,494.57; <i>Swan Tail No. 2</i> , \$5,138.55; <i>Vanidis</i> , \$8,695.42; <i>Vedder River</i> , \$4,345.62; boats under \$2,000: 68: \$52,120.06; Digby Island, \$5,406.43; Poplar Island, \$3,055.99; Diesel engine and equipment installed in patrol boat <i>A. P. Knight</i> , payment on account, \$10,684.70; general account, \$73	157,626 54

Fishery Protection Service: <i>Kitimat</i> , L. Sheppard, master, \$2,280; R. B. Fenwick, chief engineer, \$1,980; wages of officers and crew and expenses, \$14,152.20; general account, \$780.70	19,192 90
Administration of the Canned Salmon Inspection Act	15,777 83
General Accounts: Manitoba, \$68.01; Saskatchewan, \$6.48; Alberta, \$13.16; Yukon Territory, \$14.91	102 56
	<u>\$ 750,996 22</u>

Vote 71 Building Fishways and Clearing Rivers	7,000 00
Expenditures	3,326 26
Lapsed	\$ 3,673 74

	Estimates details	Allotments authorized	Expenditures
A Wages	5,000 00	4,500 00	1,575 59
B Travelling Expenses	700 00	700 00	217 49
C Sundries	1,300 00	1,800 00	1,533 18
	<u>\$ 7,000 00</u>	<u>\$ 7,000 00</u>	<u>\$ 3,326 26</u>

Comments on Expenditures

The expenditures by provinces were as follows: Nova Scotia, \$1,156.42; Prince Edward Island, \$37.52; New Brunswick, \$38.98, and British Columbia, \$2,093.34 which includes the account of S. G. Bell and Edward Butler for removing log jam from the bed of Silicia Creek, B.C., \$975.

Vote 72 Development of the Deep Sea Fisheries and the Demand for Fish	50,000 00
Expenditures	29,427 68
Lapsed	\$ 20,572 32

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	18,180 00	18,180 00	11,596 20
B Printing and Stationery	5,100 00	5,100 00	4,426 59
C Travelling Expenses	12,400 00	12,400 00	5,847 31
D Subsidies	500 00	500 00	100 00
E Sundries	13,820 00	13,820 00	7,457 58
	<u>\$ 50,000 00</u>	<u>\$ 50,000 00</u>	<u>\$ 29,427 68</u>

Comments on Expenditures

A As of March 31, 1942, there were 3 employees paid from this vote. No employee was receiving an annual salary of \$2,400 or over on that date. Six instructors in fish curing were paid \$4,155.69 (including bonus) at \$4.50 per day.

B All purchases of printing and stationery were made through the King's Printer.

C Travelling expenses of \$300 or over were: M. Atkins, \$714.55; R. E. Churchill, \$546.85; M. M. Davis, \$306.57; Wm. Deveau, \$374.60; L. Flick, \$333.52; H. J. Freeman, \$1,161.73; E. LeBlanc, \$785.17; E. H. MacMillan, \$1,170.10.

D Bonus of \$100 paid to J. E. Cousins for storage on frozen bait.

E Advertising for publicity purposes, \$3,580.07; bait supplied to fishermen, \$2,500.

AUDITOR GENERAL'S REPORT

Vote 73 Salt Fish Board	25,000 00
Expenditures	12,157 48
Lapsed	\$ 12,842 52

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	16,460 00	16,460 00	10,774 02
B Printing and Stationery	1,000 00	1,000 00	204 40
C Travelling Expenses	3,000 00	3,000 00	725 53
D Sundries	4,540 00	4,540 00	453 53
	<u>\$ 25,000 00</u>	<u>\$ 25,000 00</u>	<u>\$ 12,157 48</u>

Comments on Expenditures

A The Salt Fish Board appointed by the Governor in Council under the authority of the Salt Fish Board Act, 1939, consisted of three members. The chairman, being the Deputy Minister of Fisheries, served without remuneration, while the two members, representing the fishermen-producers, were paid under authority of P.C. 24/7609 of December 24, 1940, at the rate of \$10 per day for attendance at meetings.

As at March 31, 1942, there were 6 employees paid from this vote. The following were receiving annual salaries of \$1,800 or over at that date: R. D'Amour, \$2,280; R. A. Harlow, \$2,220; W. C. Mackenzie, \$1,920.

C Travelling expenses of S. Bates were \$383.93; all other accounts were under \$200.

D Members of the Board were paid \$60 each for attending meetings.

Vote 74 Fish Culture	190,000 00
Expenditures	175,952 43
Lapsed	\$ 14,047 57

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	109,825 00	109,825 00	107,589 35
B Allowances in lieu of dwellings	515 00	515 00	239 93
C Printing and Stationery	950 00	950 00	937 36
D Travelling Expenses	8,200 00	8,200 00	7,210 38
E Supplies	44,935 00	44,935 00	37,171 09
F Repairs	10,580 00	14,580 00	14,000 51
G Miscellaneous	14,995 00	10,995 00	8,803 81
	<u>\$ 190,000 00</u>	<u>\$ 190,000 00</u>	<u>\$ 175,952 43</u>

Comments on Expenditures

A As of March 31, 1942, the following were receiving annual salaries of \$2,400 or over: C. J. Atkinson, \$3,000; J. Catt, \$2,760; J. A. Rodd, \$4,920.

B Three persons received these allowances for broken periods.

D Accounts of \$300 or over were: J. Catt, \$302.95; C. E. Harding, \$432.05; A. P. Hills, \$1,554.95; T. K. Lydon, \$584.81; C. F. Stevens, \$300.97; F. A. Tingley, \$1,051.49.

E Includes coal, coke, wood, etc., \$4,247.57; fish food, \$22,368.95; gasoline, \$3,029.31.

G Miscellaneous includes acquisition of land, \$1,658; fish fry and fish eggs, \$2,821.07; telegrams, telephones, postage, electricity, freight, express and cartage, \$3,101.54.

A summary by provinces of the expenditures of the vote showing hatcheries, etc., follows:

Nova Scotia: Antigonish, \$16,718.45; Bedford, \$6,268.64; Cobequid, \$9,636.22; Coldbrook Ponds, \$2,826.63; Kijimkujik Ponds, \$3,153.32; Lindloff, \$5,808.61; Margaree, \$11,918.04; Margaree Ponds, \$2,081.67; Middleton, \$6,876.29; Nictaux Pond and Rearing Station, \$8.17; River Philip Pond, \$3,013.09; Sackville Pond, \$150.99; Yarmouth, \$7,351.62; Grand Lake Ponds, \$6,747.01; Mersey River—Pond No. 3 Development, \$961.70; general, \$300.75.....	83,821 20
Prince Edward Island: Kelly Pond, \$4,186.99; Morrell Pond, \$436.65; Cardigan Ponds, \$2,507.81; general, \$6.92	7,138 37
New Brunswick: Florenceville, \$8,691.44; Grand Falls, \$5,604.35; Miramichi, \$6,655.26; Miramichi Pond, \$3,718.67; New Mills Ponds, \$5,075.48; St. John, \$14,864.04; Charlo, \$8,426.18; Chamcook Lakes, \$226.35; general, \$1,605.20..	54,866 97
Maritime Provinces: supervisors, engineers and staff, \$13,654.73; general, \$2,158.54	15,813 27
British Columbia: general	865 02
General: administration	13,447 60
	<u>\$ 175,952 43</u>

Vote 75 Oyster Culture	24,000 00
Expenditures	21,256 19
Lapsed	\$ 2,743 81

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	16,200 00	16,200 00	14,747 35
B Travelling Expenses	4,500 00	4,500 00	3,657 17
C Sundries	3,300 00	3,300 00	2,851 67
	<u>\$ 24,000 00</u>	<u>\$ 24,000 00</u>	<u>\$ 21,256 19</u>

Purpose for which Vote was Provided

Encouraging the development of oyster farming on a commercial basis.

Comments on Expenditures

A As of March 31, 1942, there were 5 employees paid from this vote, at annual salary rates of \$1,860 and under. Wages paid from this allotment amounted to \$6,744.66; cost of living bonus amounted to \$628.36.

B Travelling expenses in excess of \$300 were: H. R. Found, \$653.49; C. J. Kerswill, \$505.28; J. C. Medcof, \$356.67; R. P. Morrison, \$851.13; A. W. H. Needler, \$1,068.35.

Vote 76 Fisheries Research Board of Canada	238,000 00
Expenditures	218,427 82
Lapsed	\$ 19,572 18

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	171,934 00	171,934 00	156,410 35
B Printing and Stationery	4,910 00	6,910 00	6,666 56
C Travelling Expenses	14,873 00	14,873 00	13,381 63
D Sundries	46,283 00	44,283 00	41,969 28
	<u>\$ 238,000 00</u>	<u>\$ 238,000 00</u>	<u>\$ 218,427 82</u>

AUDITOR GENERAL'S REPORT

Purpose for which Vote was Provided

The Fisheries Research Board Act of 1937 provided for the constitution of a Board of fifteen members as follows: two from the Department, two representing the fishing industry on the Atlantic coast, two representing the fishing industry on the Pacific coast and nine scientists selected from a list including nominations which may be made by any Canadian University whose staff embraces scientists engaged in research work in any way bearing upon fishery problems. The duration of office and subsequent appointments are provided for in the Act.

Under Section 6 of the Act, it is provided that the Board shall have charge of all Dominion fishery research stations in Canada and shall have the conduct and control of investigations of practical and economic problems connected with marine and fresh water fisheries, flora and fauna, and such other work as may be assigned to it by the Minister.

Comments on Expenditures

It is provided in Section 11 of the Act that the Board may expend such sums as are necessary for its work from moneys appropriated by Parliament for the work of the Board or from funds received as bequests, donations, etc.

The Board received \$9,698.61 from the following sources: contributions from the Province of British Columbia, \$6,667.50; rent of properties, sale of publications, etc., \$3,031.11.

The total amount was credited to the vote as shown in the following summarized statement of expenditure:

Station or Office	Expenditures	Revenues	Net expenditure from Vote
Atlantic Fisheries Experimental Station	40,607 20		40,607 20
Atlantic Biological Station	48,543 07		48,543 07
Gaspé Fisheries Experimental Station	16,989 44		16,989 44
Pacific Biological Station	60,724 29	8,867 50	51,856 79
Pacific Fisheries Experimental Station	38,248 96		38,248 96
Toronto Office	9,685 34		9,685 34
General	13,328 13	831 11	12,497 02
	<u>\$ 228,126 43</u>	<u>\$ 9,698 61</u>	<u>\$ 218,427 82</u>

A As of March 31, 1942, the following were paid annual salaries of \$2,400 or over or at the date of separation (shown in brackets): S. A. Beatty, \$4,680; H. N. Brockelsby, \$3,960; N. M. Carter, \$5,040; R. E. Foerster, \$4,680; J. L. Hart, \$3,240; E. Hess, \$3,600; A. G. Huntsman, \$5,880; W. W. Johnston, \$3,000; A. H. Leim, \$5,040; E. P. Linton, \$3,000; R. H. McGonigle, \$3,360 (June 15 military leave); R. A. McKenzie, \$2,880; A. Nadeau, \$3,000; F. Neave, \$3,000; A. W. H. Needler, \$4,500; A. L. Pritchard, \$3,120; E. G. Rigby, \$2,664; M. W. Smith, \$2,760; H. L. A. Tarr, \$2,880; A. L. Tester, \$2,640; J. P. Tully, \$2,640; O. C. Young, \$3,480.

As stipulated in Section 9 of the Act, no member of the Board received payment or emolument for his services other than the honorarium of \$1,000 paid to the Chairman, Dr. A. T. Cameron.

C As required by Section 9 of the Act, the Governor in Council approved of a travelling allowance of \$15 per day exclusive of transportation for members of the Board. The travelling expenses of the Board inclusive of the allowance amounted to \$2,674.66.

Other travelling expenses over \$300 were: S. A. Beatty, \$641.60; A. E. Calder, \$340.28; N. M. Carter, \$439.90; R. E. Foerster, \$804.66; A. G. Huntsman, \$763.34; A. Nadeau, \$496.55; F. Neave, \$467.01; A. W. H. Needler, \$392.46; A. L. Pritchard, \$495.62; D. B. Quayle, \$442.50; G. F. M. Smith, \$1,418.86; D. H. Sutherland, \$606.88.

D This allotment includes the following: diesel engine and generator, General Supply Co. of Canada, \$2,437; alterations and repairs to "A. P. Knight," Armstrong Brothers, Victoria, \$761.26. The balance of the expenditure was for scientific equipment, materials, supplies, electricity, etc.

Vote 77 Canadian share of expenses of the International Fisheries Commission appointed under Treaty dated March 2, 1923, between Canada and the United States for the preservation of the North Pacific Halibut Fishery

25,000 00

Expenditures 24,321 86

Lapsed \$ 678 14

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	16,489 00	15,871 00	15,634 97
B Travelling Expenses	1,600 00	1,900 00	1,876 16
C Printing and Stationery	750 00	750 00	666 01
D Sundries	6,161 00	6,479 00	6,144 72
	<u>\$ 25,000 00</u>	<u>\$ 25,000 00</u>	<u>\$ 24,321 86</u>

Comments on Expenditures

The Treaty between the United States and Canada is designed to enable international control for the preservation of the Halibut Fishery of the North Pacific Ocean and the Bering Sea. The Commission is required to make all necessary study and investigation in relation to the fishery and to regulate fishing.

The Treaty provides that each country appoint two commissioners, and pay the salaries and expenses of its own appointees and one-half the joint expenses incurred by the Commission. The work is carried out by Canada.

The total disbursements for the year amounted to \$46,692.93 of which the Canadian portion was \$24,321.86 and the United States portion was \$22,371.07. Of the United States portion, \$10,016.48 has been repaid and the balance, \$12,354.59, plus 11% premium on exchange, \$1,359.01, transferred to the recoverable Pacific Halibut Treaty, Special Account in the Public Accounts.

No salaries were paid the Canadian Commissioners.

A The following employees were receiving annual salaries of \$2,400 or over at March 31, 1942: H. A. Dunlop, director, \$5,500; F. H. Bell, \$3,960; N. L. Freeman, \$2,700; A. Seymour, \$2,400; G. Shirk, \$2,424.

B Travelling expense payments of \$300 or over were: O. E. Erikson, \$627.08; N. L. Freeman, \$310.65; E. G. Johnson, \$557.62.

Vote 78 Canadian share of expenses of the International Pacific Salmon Fisheries Commission under Treaty between Canada and the United States for the protection, preservation and extension of the Sockeye Salmon Fisheries of the Fraser River System

40,000 00

Expenditures 39,886 30

Lapsed \$ 113 70

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	21,964 00	23,635 00	23,630 57
B Printing and Stationery	500 00	500 00	450 64
C Travelling Expenses	5,353 00	6,603 00	6,570 97
D Sundries	12,183 00	9,262 00	9,234 12
	<u>\$ 40,000 00</u>	<u>\$ 40,000 00</u>	<u>\$ 39,886 30</u>

AUDITOR GENERAL'S REPORT

Comments on Expenditures

The Treaty between the United States and Canada is designed to enable international control for the preservation of the Sockeye Salmon Fishery of the Fraser River and waters contiguous thereto. The Commission is required to make all necessary study and investigation in relation to the fishery to the end of regulating fishing.

The Treaty provides that each country appoint three commissioners, each country pay the salaries and expenses of its own appointees and one-half the joint expenses incurred by the Commission. The work is carried out by Canada.

The total disbursements for the year amounted to \$79,697.60, of which the Canadian portion was \$39,886.30 and the United States portion \$39,811.30. Of the United States portion, \$20,054.22 has been repaid and the balance, \$19,757.08, plus premium on exchange, \$1,973.24, transferred to the recoverable Pacific Salmon Treaty, Special Account in the Public Accounts.

A The following employees were receiving annual salaries of \$2,400 or over at March 31 1942: W. F. Thompson, director, \$7,500; F. H. Bell (see Vote 77); J. L. Kask, \$3,360; M. B. Schaefer, \$2,820; G. Shirk (see Vote 77).

C Travelling expense payments of \$300 or over were: C. E. Atkinson, \$692.03; F. H. Bell, \$328.95; T. C. Broughton, \$308.95; H. L. Connor, \$319.77; L. R. Donaldson, \$333.96; D. R. Johnson, \$553; J. L. Kask, \$742.13; A. E. Peterson, \$607.71; M. B. Schaefer, \$590.90; W. P. Thompson, \$1,232.46; W. Tomkinson, \$557.58; H. S. Tremper, \$712.28; A. D. Welander, \$493.58; L. E. Whitesel, \$439.68.

D Includes charter of vessels *Clara M.* from L. J. Sandhaaland, \$495; *Laila* from B. Peterson, \$1,955; and *Phylima* from J. J. Goodie, \$360; purchase of sockeye salmon for tagging, etc., \$3,491.34; rewards for fish tags, \$2,459.12.

Vote 79 Grant to United Maritime Fishermen's Association \$ 3,000 00

Comments on Expenditures

The grant was given for the purpose of assisting in the circulation of information to fishermen to enable them to carry on their work more efficiently and so derive greater remuneration from their efforts, and to encourage co-operative activities amongst fishermen. Payment was made in quarterly instalments under authority of Treasury Board Minute T209574B of July 10, 1941.

Vote 80 Transportation, dressing and dyeing, and other expenses incidental to receiving and disposing of fur seal skins accruing to Canada pursuant to the Pelagic Sealing Treaty, 1911. 120,000 00
Expenditures 93,941 32
Lapsed \$ 26,058 68

Comments on Expenditures

The following amounts were paid: Canadian National Railways, freight and ocean charges, \$3,315.38; Collector of Customs and Excise, Montreal, \$18,100.98; C. W. Martin & Sons, Ltd., London, England, dressing, dyeing and finishing seal skins including incidental shipping charges, \$72,028.58; sundries, \$496.38.

Vote 81 Destruction of Harbour Seals 15,000 00
Expenditures 11,794 50
Lapsed \$ 3,205 50

Purpose for which Vote was Used

A bounty of \$2.50 per head for the destruction of hair seals which had become a menace to salmon fishing was paid as follows: East Coast, \$6,095; West Coast, \$5,699.50.

Fishing Bounty, c. 74, R.S. \$ 159,959 60

Comments on Expenditures

Under authority of the Deep Sea Fisheries Act, the Governor in Council may authorize the payment, out of the Consolidated Revenue Fund of Canada, of an annual grant not exceeding one hundred and sixty thousand dollars, to aid in the development of the sea fisheries of Canada, and the encouragement of the building and fitting out of improved fishing vessels, and the improvement of the condition of the fishermen.

Provision was made under the authority of Order in Council P.C. 1391, dated February 23, 1942, that the sum of \$160,000 be distributed for the year 1941-42 upon the following basis:—

Vessels: The owners of the vessels entitled to receive bounty shall be paid \$1 per registered ton, provided, however, that the payment to the owner of any one vessel shall not exceed the sum of \$80, and all vessel fishermen entitled to receive bounty shall be paid the sum of \$7.90 each.

Boats: Fishermen engaged in fishing boats, who shall also have complied with the regulations entitling them to receive bounty, shall be paid the sum of \$7.40 each, and the owners of fishing boats shall be paid the sum of \$1 per boat.

According to information received from the Department, the bounty was distributed as shown in the following statement which includes a number of late claims of 1940-41:—

Province and County	Boats	Men	Amount	Vessels	Men	Amount	Total
Nova Scotia—			\$ cts.			\$ cts.	\$ cts.
Annapolis.....	151	232	1,867 00				1,867 00
Antigonish.....	118	168	1,358 80				1,358 80
Cape Breton.....	204	318	2,543 60	29	130	1,473 00	4,016 60
Cumberland.....	4	4	33 60				33 60
Digby.....	285	498	3,967 80	34	73	1,037 70	5,005 50
Guysborough.....	461	718	5,771 00	33	106	1,298 40	7,069 40
Halifax.....	676	877	7,144 20	31	139	1,703 10	8,847 30
Inverness.....	208	553	4,279 40	7	37	369 30	4,648 70
Kings.....	51	56	465 40				465 40
Lunenburg.....	567	685	5,625 60	61	1,096	12,037 40	17,663 00
Pictou.....	24	40	318 40				318 40
Queens.....	150	226	1,808 00	12	47	522 30	2,330 30
Richmond.....	400	683	5,435 80	11	29	361 10	5,796 90
Shelburne.....	569	859	6,887 20	93	387	4,622 30	11,509 50
Victoria.....	228	347	2,786 20	12	38	471 20	3,257 40
Yarmouth.....	97	196	1,534 60	76	218	2,829 20	4,363 80
	4,193	6,460	51,826 60	399	2,300	26,725 00	78,551 60
New Brunswick—							
Charlotte.....	193	353	2,778 00	14	42	513 80	3,291 80
Gloucester.....	428	786	6,190 80	125	499	6,257 10	12,447 90
Kent.....	172	292	2,328 80	9	24	286 60	2,615 40
Northumberland.....	27	46	401 00	11	21	280 90	681 90
Restigouche.....	2	4	31 60				31 60
St. John.....	11	14	114 60				114 60
Westmorland.....	26	49	480 40				480 40
	859	1,544	12,325 20	159	586	7,338 40	19,663 60
Prince Edward Island—							
Kings.....	242	325	2,625 40				2,625 40
Prince.....	424	769	5,997 80				5,997 80
Queens.....	139	246	1,940 20				1,940 20
	805	1,340	10,563 40				10,563 40
Quebec—							
Bonaventure.....	376	700	5,527 20	11	44	464 60	5,991 80
Gaspé.....	2,035	4,070	32,026 60	39	166	1,773 40	33,800 00
Matane.....	133	242	1,876 60				1,876 60
Saguenay.....	679	1,208	9,512 60				9,512 60
	3,223	6,220	48,943 00	50	210	2,238 00	51,181 00
	9,080	15,564	123,658 20	608	3,096	36,301 40	159,959 60

SPECIAL

Vote 82	Extension of Educational Work in Co-operative Producing and Selling among Fishermen	25,000 00
	Expenditures	24,692 44
	Lapsed	\$ 307 56

Comments on Expenditures

Under P.C. 4180 of August 24, 1940, expenditures were authorized for educational work in the nature of lectures by professors in biology and economics among the fishermen in the smaller communities, and for a short term course for selected young fishermen from the Maritime Provinces and the Magdalen Islands at St. Francis Xavier University, Antigonish, Nova Scotia, for the Maritime Provinces, \$19,500; College of Ste. Anne de la Portière, Quebec, for Gaspé Peninsula and the north shore sections of Quebec, \$3,000; University of British Columbia, Vancouver, \$2,500 for the Province of British Columbia.

A summary of the payments totalling \$24,692.44 follows: St. Francis Xavier University, Antigonish, \$19,352.80; College of Ste. Anne de la Pocatière, Quebec, \$3,000; University of British Columbia, Vancouver, \$2,194.44; King's Printer, Ottawa, stationery, \$145.20.

Vote 83	Assisting the Salt Fish Branch of the Fishing Industry	400,000 00
	Expenditures	594 70
	Lapsed	\$ 399,405 30

Comments on Expenditures

Under the authority of sections 5 and 6 of the Salt Fish Board Act of 1939 the Governor in Council approved of a plan determined by the Salt Fish Board to be necessary to ensure that assistance given exporters reaches the fishermen-producers, thus establishing the continuance of production. A summary of the deficiency payments by provinces and counties follows:—

<u>Province and County</u>	<u>Claims</u>	<u>Amount</u>	
Nova Scotia:			
Cape Breton	2	36 10	
Guysboro	3	11 38	
Halifax	2	11 42	
Inverness	1	9 00	
Lunenburg Schooners	1	99 69	
Shelburne Schooners	1	10 29	177 88
Prince Edward Island:			
Kings	1		20 00
New Brunswick:			
Gloucester	3		239 94
Quebec:			
Gaspé	7	135 63	
Magdalen Islands	1	21 25	156 88
			\$594 70

GOVERNOR GENERAL AND LIEUTENANT- GOVERNORS

APPROPRIATIONS AND EXPENDITURES

A total of \$233,446.48 was available for expenditure on account of the Office of Secretary to the Governor General, of which \$103,780 was provided in the annual appropriation acts, and \$129,666.48 was authorized by continuing statutory provisions. Expenditures were \$225,925.25 for the fiscal year 1941-42, an increase of \$13,204.80 over those of \$212,720.45 in 1940-41.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
	Statutory Salary of Governor General— Governor General's Act, c. 85, R.S.	48,666 60	48,666 60	
	Statutory Salaries of the Lieutenant- Governors—Salaries Act, c. 182, R.S.			
	Alberta	9,000 00	9,000 00	
	British Columbia	9,000 00	9,000 00	
	Manitoba	9,000 00	9,000 00	
	New Brunswick	9,000 00	9,000 00	
	Nova Scotia	9,000 00	9,000 00	
	Ontario	9,999 96	9,999 96	
	Prince Edward Island	6,999 96	6,999 96	
	Quebec	9,999 96	9,999 96	
	Saskatchewan	9,000 00	9,000 00	
84	Office of the Secretary to the Governor General, including allowance of \$2,500 per annum to the Secretary to the Gov- ernor General	103,780 00	96,258 77	7,521 23
	Total Ordinary Expenditures.....\$	233,446 48	\$ 225,925 25	\$ 7,521 23

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Salary of the Governor General—The Governor General's Act, c. 85, R.S...\$48,666 60

Comments on Expenditures

The above Act provides that there shall be payable yearly to the Governor General a salary of £10,000 sterling, equal to \$48,666.66. Salary was paid to His Excellency The Earl of Athlone.

Salaries of the Lieutenant-Governors—The Salaries Act, c. 182, R.S.....\$80,999 88

The above Act provides that the salaries of the lieutenant-governors of the several provinces shall be as follows: Ontario, \$10,000; Quebec, \$10,000; Nova Scotia, \$9,000; New Brunswick, \$9,000; Manitoba, \$9,000; British Columbia, \$9,000; Prince Edward Island, \$7,000; Saskatchewan, \$9,000; Alberta, \$9,000.

AUDITOR GENERAL'S REPORT

Comments on Expenditures

These salaries are paid by certificates which are convertible monthly on or after the last day of each month.

Vote 84 Office of the Secretary to the Governor General including allowance of \$2,500 to the Secretary to the Governor General			103,780 00
Expenditures			96,258 77
Lapsed		\$	7,521 23

	Estimates details	Allotments authorized	Expenditures
A Salaries	31,020 00	31,550 00	31,548 60
B Allowances	2,500 00	2,500 00	2,500 00
C Printing and Stationery	8,000 00	7,470 00	2,241 33
D Sundries	62,260 00	62,260 00	59,968 84
	\$ 103,780 00	\$ 103,780 00	\$ 96,258 77

Comments on Expenditures

A As of March 31, 1942, there were 12 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: Sir Shuldham Redfern, Secretary to the Governor General, \$5,000; P. B. Brodrick, \$2,700; H. S. Graham, \$3,000; F. L. C. Pereira, \$5,220. Aides-de-Camp were paid \$4,299.96.

B An allowance of \$2,500 was paid to Sir Shuldham Redfern as Secretary to the Governor General.

D A travelling allowance at the rate of \$50,000 per annum under the provisions of P.C. 40/1803 of July 10, 1914, was paid to the Governor General. Accounts for travel amounted to \$572.16 and included payments to H. S. Graham of \$344.81. Charges in connection with the Governor General's Railway Cars, including repairs, were \$4,700.98.

DEPARTMENT OF INSURANCE

REVENUES

Summary

Ordinary Revenue—	1941-42	1940-41
Insurance Superintendence	\$168,693 22	\$182,455 04

Details

Insurance Superintendence—		
A Assessments paid by insurance companies.....		157,106 01
B Assessments paid by loan companies.....		3,447 94
C Assessments paid by trust companies		3,540 32
D Assessments paid by small loans companies		3,554 75
		167,649 02
E Penalties		1,042 00
F Miscellaneous		2 20
		<hr/> \$ 168,693 22 <hr/>

Certified correct.

G. D. FINLAYSON,
Superintendent of Insurance.

In accordance with the provisions of section 45 (1) of the Consolidated Revenue and Audit Act I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comment on Revenues

Under the provisions of the Department of Insurance Act, c. 45, 1932, the expenditure incurred by the Dominion during each fiscal year in connection with the administration of the Canadian and British Insurance Companies Act, c. 46, 1932, the Foreign Insurance Companies Act, c. 47, 1932, the Loan Companies Act, c. 28, R.S., the Trust Companies Act, c. 29, R.S., the Small Loans Act, c. 23, 1939 and amendments, is assessed against the companies transacting business thereunder, in the proportion which the net premiums in Canada or income of each bears to the total amount of such premiums or income received during the preceding calendar year.

Expenditures for the fiscal year 1940-41 were \$166,621.50, and estimated rent, char service, lighting and sundries charged to Public Works Department, Vote 283, amounting to \$10,819.48, and a further amount of \$1,128.49 representing one-third of the salary and travelling expenses of one official for 1939-40 which was not assessed at all in that year, were added, making a grand total of \$178,569.47. An amount of \$10,995.09, comprised of salaries on account of Civil Service Insurance administration, etc., \$5,383.89; revenue from sale of publications, \$311.20; work done for other departments, \$4,000; and net penalties received, \$1,300, was deducted, leaving a net amount of \$167,574.38 to be assessed against the companies.

The assessment against small loans companies was made for the first time in pursuance of section 10 of the Small Loans Act, c. 23, 1939. The full amount of assessment levied was collected during the fiscal year. In addition, \$74.64 was received, of which \$71.18 represented a payment in respect of an insurance assessment for expenses of the fiscal year 1935-36. The balance consisted of bank exchange and exchange premiums on cheques payable in United States funds.

Penalties amounting to \$5,192 were received during 1941-42 from companies which did not file the business statements called for under the terms of the Acts in the required time. Amounts totalling \$4,150 were subsequently remitted by the Governor in Council under the provisions of section 33 of the Consolidated Revenue and Audit Act, c. 27, 1931.

APPROPRIATIONS AND EXPENDITURES

A total of \$181,970, provided in the annual appropriation acts, was available for expenditure on account of the Department of Insurance. Expenditures were \$180,924.28 for the fiscal year 1941-42, an increase of \$4,216.91 compared with those of 1940-41.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
85 }	Departmental Administration ...	171,390 00	170,889 92	500 08
478 }				
86	Fire Prevention	10,580 00	10,034 36	545 64
		<u>\$ 181,970 00</u>	<u>\$ 180,924 28</u>	<u>\$ 1,045 72</u>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion, they are correct.

WATSON SELLAR,
Auditor General.

Vote 85 Departmental Administration \$ 168,890 00

Vote 478 Further amount required 2,500 00

Expenditures 171,390 00
170,889 92

Lapsed \$ 500 08

	Estimates details	Allotments authorized	Expenditures
A Salaries	124,170 00	123,320 00	123,087 73
B Printing and Stationery	5,500 00	6,350 00	6,223 55
C Printing Annual Reports	18,620 00	18,520 00	18,499 15
D Travelling Expenses	17,300 00	17,400 00	17,368 82
E Valuation of Securities	4,800 00	4,800 00	4,800 00
F Sundries	1,000 00	1,000 00	910 67
	<u>\$ 171,390 00</u>	<u>\$ 171,390 00</u>	<u>\$ 170,889 92</u>

Comments on Expenditures

The purpose of this vote was to provide for the supervision and inspection of Canadian, British and foreign insurance companies, and the administration and enforcement of the Canadian and British Insurance Companies and Foreign Insurance Companies Acts; the administration of the Loan Companies, Trust Companies and Small Loans Acts, and the superintendence and examination of companies operating thereunder; the administration of the Civil Service Insurance Act; and the collection of insurance, loan, trust and small loans companies superintendence assessments and of Special War Revenue Taxes on insurance written in Canada or placed with unregistered companies. The latter taxes are included in the revenues of the Department of Finance.

A As of March 31, 1942, there were 46 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): G. D. Finlayson, Superintendent of Insurance, \$10,000; C. R. Brereton, \$3,000; W. Dargavel, \$4,620; G. C. Gardner, \$3,480; W. H. Gilliland, \$6,900; A. D. Jamieson, \$4,620; K. R. MacGregor, \$4,440; L. Mallen, \$2,760; W. R. McDonald, \$4,620; K. M.

McIlraith, \$2,640; G. D. McKinney, \$2,400 (Oct. 16 noon); G. L. Palmer, \$3,000; J. R. E. Patterson, \$3,960; C. A. Ranson, \$3,960; G. F. Waites, \$2,640 (Feb. 5); R. W. Walker, \$2,640; R. W. Warwick, \$5,940; A. D. Watson, \$6,900.

B C These amounts were paid to the King's Printer.

D Travelling expenses in excess of \$300 per person were paid as follows: C. R. Brereton, \$1,446.23; W. Dargavel, \$1,619.66; W. H. Gilliland, \$1,531.45; A. D. Jamieson, \$1,767.51; W. A. Keltie, \$425.23; W. R. McDonald, \$1,423.31; K. M. McIlraith, \$1,447.25; G. D. McKinney, \$303.55; J. R. E. Patterson, \$875.47; C. A. Ranson, \$1,267; A. G. Robertson, \$1,325.42; H. W. Stinson, \$1,524.09; R. H. Tallman, \$315.16; G. F. Waites, \$969.79; R. W. Walker, \$643.30.

E This amount was comprised of the following payments: K. M. Pringle, \$3,500; King's Printer, \$1,300.

Vote 86 Expenses of work in the interests of Fire Prevention	10,580 00
Expenditures	10,034 36
Lapsed	\$ 545 64

	Estimates details	Allotments authorized	Expenditures
A Salaries	5,820 00	5,915 28	5,915 28
B Printing and Stationery	3,160 00	1,312 18	1,306 36
C Travelling Expenses	600 00	600 00	415 62
D Sundries	1,000 00	2,752 54	2,397 10
	<u>\$ 10,580 00</u>	<u>\$ 10,580 00</u>	<u>\$ 10,034 36</u>

Comments on Expenditures

A As of March 31, 1942, there were 2 employees paid from this vote. The following was receiving an annual salary of \$2,400 or over on that date: W. L. Clairmont, Dominion Fire Prevention Commissioner, \$4,200.

B This expenditure consisted of payments to the King's Printer.

C Travelling expenses in excess of \$300 were paid as follows: W. L. Clairmont, \$383.36.

D This amount included a payment of \$1,847.82 to Associated Screen News Limited.

DEPARTMENT OF JUSTICE

REVENUES

Summary

	1941-42	1940-41
Ordinary Revenue—		
Penitentiaries	193,038 79	161,298 61
Casual	18,926 59	18,276 44
Fines and Forfeitures	227 75	532 58
	<u>\$ 212,193 13</u>	<u>\$ 180,107 63</u>

Details

Penitentiaries:

Dorchester	29,925 55
St. Vincent de Paul	46,872 76
Collin's Bay	4,711 70
Kingston	57,279 97
Manitoba	24,226 76
Saskatchewan	18,096 34
British Columbia	11,925 71
	<u>193,038 79</u>

Casual Revenue:

Penitentiaries: Dorchester, \$304; St. Vincent de Paul, \$2,408; Collin's Bay, \$457.23; Kingston, \$2,020; Manitoba, \$188.92; Saskatchewan, \$715.65; British Columbia, \$750.70	6,844 50
Sale of Canada Law Reports	11,990 00
Sheriff's fees, Yukon Territory	92 09
	<u>18,926 59</u>

Fines and Forfeitures: Yukon Territory, \$75;

Penitentiaries, \$152.75	227 75
	<u>\$ 212,193 13</u>

Certified correct.

F. P. VARCOE,
Deputy Minister.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

The penitentiary revenues include \$88,577.91, the estimated value of the produce from penitentiary farms which was used at the penitentiaries.

The Department of the Secretary of State paid \$5,800.95 for the maintenance of War internees in Kingston Penitentiary, of which \$1,224.46 was credited to Vote 97, "Maintenance and operation of penitentiaries" and \$4,576.49 to Casual Revenue.

During the fiscal year 1941-42, produce valued at \$18,904 was transferred without cost to other Government Departments, National Defence and Royal Canadian Mounted Police.

APPROPRIATIONS AND EXPENDITURES

Amounts totalling \$5,744,539.26 were available for expenditure on account of the Department of Justice of which \$3,385,114 was provided in the annual appropriation Acts and \$2,359,425.26 was authorized by continuing statutory provisions. Expenditures for 1941-42 were \$5,443,664.65, an increase of \$16,023.23 as compared with the expenditure of \$5,427,641.42 in 1940-41.

In addition a total of \$109,805 was allotted to the Department from the War Appropriation. Expenditures thereunder amounting to \$60,149.65 are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
	Statutory Salary of Minister, Salaries Act, c. 182, R.S.	9,646 97	9,646 97	
	Statutory Motor Car Allowance to Minister, Appropriation Act, No. 5, c. 61, 1931	1,929 37	1,928 37	
87	Departmental Administration	154,440 00	130,293 81	24,146 19
88	Remission Service	50,000 00	45,105 68	4,894 32
89	Administration of Justice— Miscellaneous Expenditure	6,000 00	5,717 71	282 29
90	Expenses of litigated matters	25,000 00	6,065 78	18,934 22
91	Annual Contribution to Canadian Law Library, London, Eng.	500 00	488 32	11 68

THE COURTS

	Statutory Supreme Court of Canada— Judges' Salaries, c. 105 R.S.	87,000 00	87,000 00	
	Statutory Exchequer Court of Canada— Judges' Salaries and travelling allowances, Admiralty Judges, c. 105, R.S.	24,346 99	24,346 99	
	Statutory Yukon Territorial Court— Judge's Salary, Judges Act, c. 105, R.S.	2,250 00	2,250 00	
	Statutory Other Courts, Judges' Salaries and travelling allowances, Judges Act, c. 105, R.S.	1,962,450 41	1,962,450 41	
92	Supreme Court of Canada— Administration	71,180 00	67,285 43	3,894 57
93	Exchequer Court of Canada— Administration	34,355 00	32,176 20	2,178 80
94	Yukon Territorial Court— Administration	5,040 00	2,823 67	2,216 33
95	Gratuities to the widows or any dependent children of Judges who die while in office	15,000 00	7,166 66	7,833 34

PENITENTIARIES BRANCH

96	Branch Administration	110,350 00	54,813 07	55,536 93
97	Operation and Maintenance of penitentiaries, etc.	2,912,685 00	2,731,739 06	180,945 94

AUDITOR GENERAL'S REPORT

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
PENSIONS AND OTHER BENEFITS				
Statutory	Pensions to retired Judges, Judges Act, c. 105, R.S.	269,801 60	269,801 60	
98	Pension to William Tatton	564 00	564 00	
Statutory	Pension to Mrs. Violet L. Jenkin, Appropriation Act, c. 76, 1927....	600 00	600 00	
Statutory	Pension to Mrs. Alice Joynson, c. 11, 1914	499 92	499 92	
Statutory	pension to Mrs. Jean Laird Farrell, Appropriation Act, c. 76, 1927	600 00	600 00	
Statutory	Pension to dependent children of the late penitentiary guard, J. Williams, Appropriation Act, c. 45, 1938	300 00	300 00	
		<u>\$5,744,539 26</u>	<u>\$5,443,664 65</u>	<u>\$ 300,874 61</u>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

<i>Salary of Minister at \$10,000, Salaries Act, c. 182, R.S.</i>	<i>\$ 9,646 97</i>
<i>Motor car allowance to Minister at \$2,000, Appropriation Act No. 5, c. 61, 1931</i>	<i>\$ 1,929 37</i>

The Right Hon. E. Lapointe was paid from Apr. 1 to Nov. 26, inclusive, and the Hon. L. S. St. Laurent from Dec. 10 to Mar. 31.

<i>Vote 87 Departmental Administration</i>	<i>154,440 00</i>
<i>Expenditures</i>	<i>130,293 81</i>
<i>Lapsed</i>	<i>\$ 24,146 19</i>

	<u>Estimates details</u>	<u>Allotments authorized</u>	<u>Expenditures</u>
A Salaries	138,840 00	138,840 00	118,446 91
B Printing and Stationery	5,000 00	5,000 00	4,313 00
C Sundries, including travelling expenses, telegrams, telephones, etc.	10,600 00	10,600 00	7,533 90
	<u>\$ 154,440 00</u>	<u>\$ 154,440 00</u>	<u>\$ 130,293 81</u>

Comments on Expenditures

A As of March 31, 1942, there were 49 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): W. S. Edwards, Deputy Minister, Apr. 1 to Sept. 30, \$10,000; F. P. Varcoe,

Deputy Minister, Oct. 1 to Mar. 31, \$10,000; P. M. Anderson, \$5,700; M. Bernier, \$3,420, secretarial allowance, \$600; P. Fontaine, \$5,700; R. Forsyth, \$5,700; R. Gibeault, \$4,200; B. Godbout, \$3,000; W. R. Jackett, \$2,880; J. F. MacNeill, \$5,700 (Feb. 1); E. Miall, \$8,000; D. W. Mundell, \$2,760; J. J. O'Leary, \$2,400; R. A. Olmstead, \$4,700; C. Stein, \$2,880.

C Travelling expenses include Right Hon. E. Lapointe, \$800; Hon. Louis St. Laurent, \$200; M. Bernier, \$912.02. \$150, authorized by Treasury Board Minute, T.216457B., covered travelling expenses of six employees of the Minister's Office attending the funeral of Right Hon. E. Lapointe; communications cost, \$4,452.62.

Vote 88 Remission Service	50,000 00
Expenditures	45,105 68
Lapsed	\$ 4,894 32

	Estimates details	Allotments authorized	Expenditures
A Salaries	32,000 00	31,471 78	28,727 43
B Printing and Stationery	2,000 00	2,000 00	1,059 81
C Sundries, including travelling expenses, telegrams and telephones, etc.	3,500 00	4,028 22	4,028 03
D Remuneration to Royal Canadian Mounted Police for assistance	1,600 00	1,600 00	1,280 40
E Reimbursement to Royal Canadian Mounted Police Force for assistance	10,900 00	10,900 00	10,010 01
	<u>\$ 50,000 00</u>	<u>\$ 50,000 00</u>	<u>\$ 45,105 68</u>

Comments on Expenditures

A As of March 31, 1942, there were 15 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: A. B. Boulanger, \$2,400; M. F. Gallagher, \$6,440; C. S. Guthrie, \$3,000; T. S. Waldron, \$3,000.

C Travelling expenses over \$300 were, M. F. Gallagher, \$2,209.92; D. Wilson, \$365.75.

D E Services and expenses of Royal Canadian Mounted Police officials, in connection with prisoners on parole, etc.

Vote 89 Administration of Justice, Miscellaneous Expenditure	6,000 00
Expenditures	5,717 71
Lapsed	\$ 282 29

Comments on Expenditures

Taking and transcribing evidence cost, \$2,757.22; legal and travelling expenses incurred for trials of Eskimos at Belcher Island, \$1,244.59; fees and expenses of alienists for examination of persons convicted of murder, \$1,098.95.

Vote 90 Expenses of Litigated Matters	25,000 00
Expenditures	6,065 78
Lapsed	\$ 18,934 22

Comments on Expenditures

Expenditures include \$149 for bar fees, \$600 for law stamps and \$5,217.75 for legal services. A. Geoffrion, K.C., Montreal, received \$2,768, W. J. Lindal, K.C., Winnipeg, \$1,797.75.

<i>Vote 91 Annual contribution to the Canadian Law Library, London, England</i>	<i>500 00</i>
<i>Expenditures</i>	<i>488 32</i>
<i>Lapsed</i>	<i>\$ 11 68</i>

Comments on Expenditures

Expenditures include grant of \$350 to the Canadian Law Library, London, England.

THE COURTS

<i>Supreme Court of Canada, Judges' Salaries, Judges Act, c. 105, R.S.</i>	<i>87,000 00</i>
<i>Exchequer Court of Canada, Judges' Salaries and travelling allowances, Admiralty Judges, Judges Act, c. 105, R.S.</i>	<i>24,346 99</i>
<i>Yukon Territorial Court, Judge's Salary, Judges Act, c. 105, R.S.</i>	<i>2,250 00</i>
<i>Other Courts, Judges' Salaries and travelling allowances, Judges Act, c. 105, R.S.</i>	<i>1,962,450 41</i>
	<i>\$2,076,047 40</i>

Comments on Expenditures

The Judges' Act, c. 105, R.S., directs that the salaries of Judges be a charge to Consolidated Revenue Fund and paid as follows:

Supreme Court of Canada: Chief Justice, \$15,000; 6 puisne Judges, each \$12,000.

Exchequer Court of Canada: President, \$10,000; 1 puisne Judge, \$9,000.

Local Judges in Admiralty of the Exchequer Court, one Judge in each district, Nova Scotia, New Brunswick, Quebec and British Columbia, each, \$1,000; Prince Edward Island, \$800; Toronto, \$600.

Yukon Territorial Court: 1 Judge, \$9,000.

Nova Scotia: Chief Justice, \$10,000; Judge in Equity and 5 puisne Judges, each, \$9,000; Judge of the Court of Divorce and Matrimonial Causes, \$500; 7 County Court Judges, each, \$5,000.

Prince Edward Island: Chief Justice, \$10,000; 2 assistant Judges, each, \$9,000; 3 County Court Judges, each, \$5,000.

New Brunswick: Chief Justice of New Brunswick and Chief Justice of the Court of King's Bench Division, each, \$10,000; 2 puisne Judges of the Court of Appeal and 3 puisne Judges of the King's Bench Division, each \$9,000; Judge of the Court of Divorce and Matrimonial Causes, \$500; 6 County Court Judges, each, \$5,000.

Quebec: Chief Justice, Court of King's Bench and Chief Justice of Superior Court, each, \$10,000; the puisne Judge of the Superior Court appointed to perform duties of the Chief Justice in the district as constituted for the Court of King's Bench (sitting in Appeal), within which the Chief Justice does not reside, \$10,000; 11 puisne Judges of the Court of King's Bench and 35 puisne Judges of the Superior Court, each, \$9,000; Circuit Court, Senior Judge, \$8,000; 3 Judges, each \$7,000.

Ontario: Chief Justice of Ontario and Chief Justice of High Court, each, \$10,000; 7 Justices of Appeal, each, \$9,000; 12 Justices of the High Court, each, \$9,000; 75 Judges and Junior Judges, each, \$5,000.

Manitoba: Chief Justice of the Court of Appeal and Chief Justice of the Court of King's Bench, each, \$10,000; 4 puisne Judges of the Court of Appeal and 5 puisne Judges of the Court of King's Bench, each, \$9,000; 9 County Court Judges and 1 Junior County Court Judge, each, \$5,000.

Saskatchewan: Chief Justice of Saskatchewan and Chief Justice of the Court of King's Bench, each, \$10,000; 4 puisne Judges of the Court of Appeal and 6 puisne Judges of the Court of King's Bench, each, \$9,000; 18 District Court Judges, each, \$5,000.

Alberta: Chief Justice of Alberta and Chief Justice of the Trial Division, each, \$10,000; 4 Justices of Appeal and 5 Justices of the Supreme Court, each, \$9,000; 12 District Court Judges, each, \$5,000.

British Columbia: Chief Justice of the Court of Appeal and Chief Justice of the Supreme Court, each, \$10,000; 4 Justices of Appeal and 5 puisne Judges of the Supreme Court, each, \$9,000; 14 Judges and Junior Judges of the County Courts, each, \$5,000.

Section 21 of the Judges Act provides a per diem allowance of \$10 in Cities and \$6 elsewhere, plus moving or transportation expenses, to a Judge of the Exchequer, Superior and County Courts during periods he is attending at any place other than that at which he is, by law, obligated to reside. Payments for travelling allowances amounting to \$131,931.06 were made a charge to the Consolidated Revenue Fund. Travelling expenses of Judges of the Exchequer Court of Canada, amounting to \$1,679.06 were charged to Vote 101.

Each Judge of a District Court in Ontario by Section 22, subsection 4 of the Judges Act receives \$500 per annum as a travelling allowance, and such payments in 1941-42 were made to 12 judges.

Although Section 21 of the Judges Act states that the travel allowance to a Superior Court Judge shall be "in addition to his moving or transportation expenses", this was not applied to Judges travelling between Quebec and Montreal who were paid on a basis of \$25 for transportation expenses, nor to Judges travelling between Vancouver and Victoria who were paid on a basis of \$15.

The Judge for the Yukon Territory was retired as of June 1, 1941. Mr. J. E. Gibben was appointed stipendiary magistrate on Aug. 14, 1941, under authority of the Yukon Act, c. 30, 4-5 George V at a salary of \$4,500 per annum (Payable from Department of Mines and Resources, Votes 136 and 489 in 1941-42).

The following statement shows the amounts charged to Consolidated Fund for the salaries of Judges and travel allowances of the several courts:—

	Judges' salaries	Travel allowances	Total
Supreme Court of Canada	87,000 00		87,000 00
Exchequer Court of Canada	18,999 96		18,999 96
Local Judges in Admiralty	5,182 03	165 00	5,347 03
Yukon Territorial Court	2,250 00		2,250 00
	113,431 99	165 00	113,596 99
Nova Scotia:			
Supreme Court	63,166 63	2,108 41	65,275 04
Divorce Court	499 92		499 92
County Courts	34,166 12	4,595 20	38,761 32
Prince Edward Island:			
Supreme Court	27,999 96	31 60	28,031 56
County Courts	14,999 76	193 14	15,192 90
New Brunswick:			
Supreme Court, Appeal Division	27,999 96	1,343 06	29,343 02
Supreme Court, King's Bench Division...	27,000 00	3,142 14	30,142 14
Divorce Court	499 92		499 92
County Courts	29,999 52	5,520 72	35,520 24
Quebec:			
Court of King's Bench	102,978 46	5,090 00	108,068 46
Superior Courts	324,790 24	26,755 83	351,546 07
Circuit Court (Montreal)	28,999 80		28,999 80
Ontario:			
Court of Appeal	72,977 46	1,004 00	73,981 46
High Courts	118,749 96	12,523 58	131,273 54
County Courts	252,267 47	11,444 21	263,711 68
District Courts	59,582 38	5,957 38	65,539 76
Manitoba:			
Court of Appeal	45,999 96		45,999 96
Court of King's Bench	45,999 96	2,023 00	48,022 96
County Courts	47,543 60	4,631 74	52,175 34
Saskatchewan:			
Court of Appeal	45,999 95		45,999 95
Court of King's Bench	64,007 46	3,282 98	67,290 44
District Courts	88,748 58	5,252 94	94,001 52

AUDITOR GENERAL'S REPORT

	Judges' salaries	Travel allowances	Total
Alberta:			
Supreme Court, Appeal Division	43,749 96	3,197 03	46,946 99
Supreme Court, Trial Division	54,999 96	8,921 87	63,921 83
District Courts	44,582 62	9,738 76	54,321 38
British Columbia:			
Court of Appeal	41,588 68	3,892 50	45,481 18
Supreme Court	53,623 63	2,377 61	56,001 24
County Courts	67,162 43	8,738 36	75,900 79
	1,830,684 35	131,766 06	1,962,450 41
	<u>\$1,944,116 34</u>	<u>\$ 131,931 06</u>	<u>\$2,076,047 40</u>

Vote 92 Supreme Court of Canada, Administration	71,180 00
Expenditures	67,285.43
Lapsed	\$ 3,894 57

	Estimates details	Allotments authorized	Expenditures
A Salaries	51,880 00	51,880 00	50,913 55
B Printing, Stationery, Travelling Expenses and Sundries, including books, magazines, etc., for Judges not exceeding \$350	4,800 00	4,800 00	2,160 57
C Law Books and Books of Reference for Library, and Binding of same	7,000 00	7,000 00	6,790 03
D Printing, binding and distributing Supreme Court Reports	7,500 00	7,500 00	7,421 28
	<u>\$ 71,180 00</u>	<u>\$ 71,180 00</u>	<u>\$ 67,285 43</u>

Comments on Expenditures

A As of March 31, 1942, there were 22 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: G. A. Audette, \$2,700; S. E. Bolton, \$3,120; W. K. Campbell, \$2,640; E. A. Driedger, \$3,000; C. E. Gobeil, \$3,480; A. Grenier, \$4,000; F. H. Hird, \$2,400; P. Ledue, \$7,500.

D Receipts from sales of Law Reports for 1941-42 totalled \$11,990.

Vote 93 Exchequer Court of Canada—Administration	34,355 00
Expenditures	32,176.20
Lapsed	\$ 2,178 80

	Estimates details	Allotments authorized	Expenditures
A Salaries	25,655 00	25,655 00	23,579 72
B Judges and Court Officials, Travelling Expenses, Services of Sheriffs, Outside Court Reporters, etc.	5,200 00	5,200 00	5,196 91
C Printing, Stationery and Sundries, including \$150 for Judges Books	1,000 00	1,000 00	926 16
D Printing, Binding and Distributing Court Reports	2,500 00	2,500 00	2,473 41
	<u>\$ 34,355 00</u>	<u>\$ 34,355 00</u>	<u>\$ 32,176 20</u>

Comments on Expenditures

A As of March 31, 1942, there were 10 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: H. Desmarais, \$2,760; A. W. Duclos \$5,000; G. J. Kitts, \$3,480; R. M. Spankie, \$3,720.

B Judges' travelling expenses, E. R. Angers, \$918.78; A. K. McLean, \$760.28. Travel of staff: A. W. Duclos, \$201.17; H. Desmarais, \$293.36; G. Kitts, \$595.03; R. Spankie \$693.84. Reporting evidence cost, \$1,265.95; sheriff and constable fees, \$468.50.

Vote 94 Yukon Territorial Court Administration	5,040 00
Expenditures	2,823 67
Lapsed	\$ 2,216 33

	Estimates details	Allotments authorized	Expenditures
A Salaries	2,040 00	2,040 00	2,029 03
B Contingent Expenses	3,000 00	3,000 00	794 64
	\$ 5,040 00	\$ 5,040 00	\$ 2,823 67

Vote 95 Gratuities to the widows or to the dependent children of Judges who die while in office	15,000 00
Expenditures	7,166 66
Lapsed	\$ 7,833 34

Widow of Judge of Supreme Court of Alberta	1,500 00
Widow of Chief Justice and Judge of Admiralty Court of British Columbia....	1,833 33
Widow of Judge of Supreme Court of Ontario	1,500 00
Widow of Judge of Superior Court of Quebec	1,500 00
Widow of Judge of District Court of Manitoba	833 33
	\$ 7,166 66

PENITENTIARIES BRANCH

Vote 96 Branch Administration	110,350 00
Expenditures	54,813 07
Lapsed	\$ 55,536 93

	Estimates details	Allotments authorized	Expenditures
A Salaries	84 600 00	84,600 00	49,808 79
B Travelling Expenses	15,000-00	15,000 00	838 39
C Printing and Stationery	4,000 00	4,000 00	2,613 01
D Sundries	6,000 00	6,000 00	802 88
E Honorarium to Acting Superintendent....	750 00	750 00	750 00
	\$ 110,350 00	\$ 110,350 00	\$ 54,813 07

Comments on Expenditures

A As of March 31, 1942, there were 30 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: H. Coyles, \$2,700; W. S. Lawson, \$4,140; S. J. Pearson, \$4,080; G. L. Sauviant, \$3,420; G. E. Shortt, \$3,420.

B Travelling expenses over \$300, W. S. Lawson, \$401.57.

Vote 97 Operation and Maintenance of Penitentiaries, etc.	2,912,685 00
Expenditures	2,731,739 06
Lapsed	\$ 180,945 94

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	1,524,945 00	1,524,945 00	1,485,062 56
B Retiring Gratuities	30,100 00	30,100 00	21,077 92
C Uniforms	34,004 00	34,004 00	26,080 71
D Messing	43,842 10	43,842 10	43,466 82
E Printing and Stationery	11,415 30	11,415 30	9,997 55
F Other Administration	33,990 00	33,990 00	21,608 81
G Maintenance of Convicts	576,104 00	576,104 00	539,004 93
H Discharge Expenses	40,584 50	41,695 16	41,695 16
I Operating Expenses	309,640 10	331,621 25	331,575 51
J Maintenance of Fixed Assets	85,429 00	85,429 00	66,247 76
K Construction	133,190 00	129,112 19	95,594 23
L Machinery and Equipment	86,886 00	65,886 00	45,786 10
M Live Stock	2,555 00	4,541 00	4,541 00
	<u>\$2,912,685 00</u>	<u>\$2,912,685 00</u>	<u>\$2,731,739 06</u>

Comments on Expenditures

By penitentiaries the distribution of expenditures is as follows:—

Penitentiaries	Salaries	Adminis- tration	Operation		Total
			Maintenance of convicts and Discharge Expenses	Maintenance of fixed Assets Construction, etc.	
Dorchester	177,927 37	17,313 95	68,013 91	94,158 31	357,413 54
St. Vincent de Paul	361,557 31	31,143 82	167,807 93	145,101 46	705,610 52
Collin's Bay	160,963 65	12,734 96	42,575 20	56,297 25	272,571 06
Kingston	269,998 00	25,167 63	130,413 41	81,834 51	507,413 55
Manitoba	167,826 31	11,250 33	54,876 34	67,380 46	301,333 44
Saskatchewan	190,507 35	15,080 78	72,292 72	64,368 41	342,249 26
British Columbia	156,282 57	9,540 34	44,720 58	34,604 20	245,147 69
	<u>\$1,485,062 56</u>	<u>\$122,231 81</u>	<u>\$580,700 09</u>	<u>\$543,744 60</u>	<u>\$2,731,739 06</u>

A As of March 31, 1942, there were 910 employees paid from this vote: Dorchester, 109; St. Vincent de Paul, 227; Collin's Bay, 96; Kingston, 171; Manitoba, 99; Saskatchewan, 115; British Columbia, 93.

The following employees were receiving annual salaries of \$2,400 or over on March 31, 1942, or at date of separation (shown in brackets):

Dorchester: C. E. Timlin, deputy warden, \$2,520, quarters, \$900; E. N. Emery, \$2,400 (Oct. 13); C. E. Gaudet, \$2,520; L. H. Sears, \$2,400; Rev. E. B. Spurr, \$2,520; Rev. H. A. Vanier, \$2,520.

St. Vincent de Paul: G. Lebel, Warden, \$4,740, (less value of allowances, \$960); E. O. Brodeur, deputy warden, \$2,400, quarters, \$900; J. Dorais, \$2,520; G. Z. Gagnon, \$2,760; E. Garceau, \$2,400; Rev. J. A. Pageau, \$2,520; F. Valiquette, \$2,520.

Collin's Bay: W. H. Craig, Warden, \$4,440 (less value of allowances, \$840); V. J. Harraway, deputy warden, \$2,520, quarters, \$900; W. Grant, \$2,520; H. L. Keech, \$2,400.

Kingston: R. M. Allan, warden, \$5,100 (less value of allowances, \$960); H. L. Millard, deputy warden, \$1,920, quarters, \$900; Rev. A. J. Anderson, \$2,520; Rev. M. J. Brady, \$2,520; F. J. Doyle, \$2,400; H. Hora, \$2,400.

Manitoba: A. H. Campbell, Warden, \$3,660 (less value of allowances, \$840); E. Nordin, deputy warden, \$2,160, quarters, \$900; Rev. H. J. Bedford, \$2,520; S. F. Bloomfield, \$2,520; N. Bowden, \$2,520; Rev. J. S. Miller, \$2,520.

Saskatchewan: H. W. Cooper, Warden, \$4,440 (less value of allowances, \$840); J. W. Everatt, deputy warden, \$2,280, quarters, \$900; J. B. Akers, \$2,400; Rev. L. J. Daoust, \$2,520; C. S. Darby, \$2,520; Rev. R. G. McKay, \$2,520.

British Columbia: W. Meighen, Warden, \$4,440 (less value of allowances, \$840); R. S. Douglass, deputy warden, \$2,520, quarters, \$900; Rev. F. Nash, \$2,520; Rev. G. B. Ridland, \$2,520.

Free quarters, value as shown, were allowed under section 34 of the Penitentiaries Act, c. 154, R.S. to the following officers:

Dorchester: H. E. Ison, \$180; R. S. Sinclair, \$180; Rev. E. B. Spurr, \$180; Rev. H. A. Vanier, \$180; N. P. Ward, \$150.

St. Vincent de Paul: J. C. Belanger, \$180; G. Z. Gagnon, \$180; H. Godin, \$180; Rev. J. A. Pageau, \$240.

Collin's Bay: J. W. Clark, \$180; F. H. Saunders, \$180.

Kingston: J. Atkins, \$300; J. K. Patterson, \$200; A. G. Pedder, \$180.

Manitoba: Rev. J. S. Miller, \$120; H. C. Rose, \$60.

British Columbia: J. G. Drinkwater, \$180.

B Gratuities on retirement were paid under Section 32 of the Penitentiaries Act to eight employees as follows: E. N. Emery, \$4,650; N. L. Genge, \$927.08; R. Girard, \$2,302.08; U. Jette, \$4,816.67; C. A. O'Neil, \$687.50; E. St. Aubin, \$2,427.08; H. Watson, \$816.67; W. F. Webster, \$1,010.42.

Seven gratuities of three months' salary were paid under Section 33.

C Uniforms are made in the penitentiaries.

D Meals are free to officers and guards on duty.

F Includes the following grants in lieu of public school taxes: Dorchester, \$1,000; St. Vincent de Paul, \$500; Kingston, \$500; Manitoba, \$2,550.

C Expenditures are divided as follows: clothing, \$72,148.62; rations, \$328,904.09; other administration, \$137,952.22. Care of patients in mental hospitals cost \$22,797.86; special surgeons and dentists were paid \$11,833.45, tobacco and smokers' supplies cost \$26,983.22 and \$35,435.04 was paid to discharged convicts as pay allowance at 5 cts. per day.

H Discharge expenses include wearing apparel and transportation to point of sentence. Travel expenses were \$11,617.83.

I Fuel cost: Dorchester, \$22,986.58; St. Vincent de Paul, \$45,750.93; Collin's Bay, \$24,687.74; Kingston, \$31,091.98; Manitoba, \$25,036.28; Saskatchewan, \$8,436.82; British Columbia, \$12,275.45.

Electric current cost: Dorchester, \$5,883.47; St. Vincent de Paul, \$10,688.69; Collin's Bay, \$2,181.72; Kingston, \$5,905.90; Manitoba, \$4,875.67; Saskatchewan, \$2,614.94; British Columbia, \$4,915.96.

Purchases of gasoline were: Dorchester, \$1,177.61; St. Vincent de Paul, \$2,790.45; Collin's Bay, \$1,391.88; Kingston, \$1,849.03; Manitoba, \$676.23, Saskatchewan, \$910.16; British Columbia, \$552.16.

J K Includes expenditures of \$13,538.02 for cement, \$18,687.74 for lumber and \$11,332.33 for structural steel.

M Five teams of horses cost \$1,225.

Payments of \$5,000 or over were: Anglo Canadian Leather Co., Ltd., \$7,086.43; Beardmore & Co., Ltd., \$5,326.31; Boon Strachan Coal Co., Ltd., \$35,493.01; Breithaupt Leather Co., Ltd., \$10,304.54; Burns & Co., Ltd., \$20,045.93; Canada and Dominion Sugar Co., Ltd., \$5,492.03; Canada Broom Co., \$5,143.14; Canada Cement Co., Ltd., \$6,525.36; Canada Packers Ltd., \$31,090.89; Canada Wire and Cable Co., \$6,879.61; Canadian Cottons, Ltd., \$11,399.23; Canadian General Electric Co., Ltd., \$9,805.19; Canadian National Railway Co., \$16,849.50; Canadian Public Utilities Ltd., \$8,301.76; Canadian Telephone Supplies, Ltd., \$6,493.31; City of New Westminster, \$5,339.38; I. Cohen & Co., \$11,512.74; Crane Ltd., \$6,184.92; James Crawford & Son Ltd., \$6,479.42; Cumberland Rly. & Coal Co., \$14,730.18; Daigle & Paul Ltd., \$6,169.35; A. Davis & Sons Ltd., \$7,068.27; Department of Pensions and

National Health, \$8,027.41; Dominion Coal Co., Ltd., \$8,198.04; Dominion Textile Co., Ltd., \$15,442.56; Drury's Supplies, \$16,424.52; Eastern Hay & Feed Co., Ltd., \$8,816.40; John M. Garland Son & Co., Ltd., \$12,360.66; Gilley Bros., Ltd., \$9,138.40; Great West Coal Co., Ltd., \$20,920.58; S. Green, \$24,346.77; J. A. Humphrey & Son Ltd., \$15,251.87; Kingston Creamery, \$6,368.45; Kingston Public Utilities, \$7,093.19; Lang Tanning Co., Ltd., \$7,216.11; Luxura Tea Co., \$6,888; Macdonald's Consolidated Ltd., \$23,395.46; Maple Leaf Milling Co., Ltd., \$7,702.08; W. C. McDonald, Inc., \$25,165.91; A. McLean & Son, \$7,910.66; Montreal Light, Heat and Power Co., \$8,912.34; Morris Coal Co., \$38,470.86; New Brunswick Electric Commission \$5,883.47; Northern Cartage & Contracting Co., Ltd., \$6,672.67; Northern Electric Co., Ltd., \$6,985.89; Ogilvie Flour Mills Co., Ltd., \$6,377.16; Ontario Provincial Hospitals, \$7,751; Penman's Ltd., \$14,067.72; Quebec Provincial Hospitals, \$7,209.68; James Robertson Co., Ltd., \$5,043; Thos. Robertson (Canada) Ltd., \$5,259.46; St. Lawrence Sugar Refineries, Ltd., \$9,741.53; Swift Canadian Co., Ltd., \$21,945.77; United Shoe Machinery Co. of Canada, Ltd., \$5,986.37.

PENSIONS AND OTHER BENEFITS

Pensions to retired Judges, Judges Act, c. 105 R.S. \$ **269,801 00**

Supreme Court of Canada (3)	25,999 86
Exchequer Court of Canada (2)	7,027 75
Nova Scotia Courts (3)	9,759 04
New Brunswick Courts (2)	11,999 88
Quebec Courts (4)	14,916 51
Ontario Courts (21)	96,974 76
Manitoba Courts (1)	83 33
Saskatchewan Courts (8)	36,466 30
Alberta Courts (4)	21,055 39
British Columbia Courts (11)	41,018 78
Yukon Court (1)	4,500 00
	\$ 269,801 00

Vote 98 Pension to William Tatton \$ **564 00**

Pension to the dependent child of the late Penitentiary Guard, John Williams, Appropriation Act, c. 45, 1938 **300 00**

Pension to Mrs. Alice Joynton, c. 11, 1914 **499 92**

Pension to Mrs. Violet L. Jenkin, Appropriation Act, c. 76, 1927 **600 00**

Pension to Mrs. Jean Laird Farrell, Appropriation Act, c. 76, 1927 **600 00**

\$ 1,999 92

DEPARTMENT OF LABOUR

REVENUES

Summary

	1941-42	1940-41
Casual Revenue	1,595 60	7,176 39
Fines and Forfeitures		4,000 00
Special Revenue	99,817 64	54,363 94
	<u>\$ 101,413 24</u>	<u>\$ 65,540 33</u>

Details

Casual Revenue—

A Proceeds from sales of <i>Labour Gazette</i> and other departmental publications..	1,564 17
B Sundries	31 43
	<u>1,595 60</u>

Special Revenue—

Unemployment Relief Act, 1930, Alberta	21 33
Unemployment and Farm Relief Act, 1931, and Continuance Act, 1932: Manitoba, \$5.33; Saskatchewan, \$42.08; Alberta, \$342.82.....	390 23
Relief Act, 1932: Manitoba, \$1,006.61; Saskatchewan, \$48.35; Alberta, \$397.38; British Columbia, \$9.05	1,461 39
Relief Act, 1933, Alberta	6 00
Relief Act, 1934: Manitoba, \$1,995.71; Saskatchewan, \$2,227.38; Alberta, \$232.71; British Columbia, \$8.84	4,464 64
Unemployment Relief and Assistance Act, 1936: Quebec, \$9,493.79; Manitoba, \$6,056.29; Alberta, \$2,364.47	17,914 55
Unemployment and Agricultural Assistance Act, 1937, Alberta	107 46
Unemployment and Agricultural Assistance Act, 1938: Manitoba, \$11,298.31; Saskatchewan, \$2,030.62; Alberta, \$313.88; British Columbia, \$525.67.....	14,168 48
Unemployment and Agricultural Assistance Act, 1939: Ontario, \$83.08; Mani- toba, \$13,077.41; Saskatchewan, \$2,673.51; Alberta, \$882.15; British Columbia, \$4,782.34	21,498 49
Unemployment and Agricultural Assistance Act, 1940: New Brunswick, \$254.25; Quebec, \$13,813.32; Ontario, \$1,533.51; Manitoba, \$14,572.91; Saskatchewan, \$14.92; Alberta, \$3,896.35	34,085 26
Youth Training Act, 1939: Quebec, \$4,967.14; Ontario, \$635.94; Manitoba, \$58.02; Alberta, \$38.71	5,699 81
	<u>99,817 64</u>
	<u>\$ 101,413 24</u>

(Certified correct.)

BRYCE M. STEWART,
Deputy Minister of Labour.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

Casual Revenue—

A Subscriptions to and sales of the *Labour Gazette* amounted to \$1,262.58; sales of other publications, \$303.44), less \$1.85 deposited to 1942-43 Casual Revenue.

B Sale of Unemployment Insurance Books, \$30.18; unclaimed remittance, \$1.25.

Special Revenue—

These amounts were received from the Provinces on account of the following: refunds of expenditures irregularly included in Provincial certificates, collections made on account of seed grain expenditures, refunds by recipients of direct relief and adjustments in relief settlement accounts.

APPROPRIATIONS AND EXPENDITURES

A total of \$17,237,773.24 was available for expenditure on account of the Department of Labour, of which \$16,111,241.70 was provided in the annual appropriation Acts and \$1,126,531.54 was authorized by continuing statutory provisions. Expenditures were \$13,183,632.86 for the fiscal year 1941-42, a decrease of \$5,566,089.67 from that of \$18,749,722.53 in 1940-41.

In addition a total of \$6,980,975.38 was allotted to the Department from the War Appropriation. Expenditures thereunder amounting to \$6,554,331.89 are shown in the War Expenditure section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salary of Minister—Salaries Act, c. 182, R.S.	10,000 00	10,000 00	-
Statutory	Motor Car Allowance to Minister—Appropriation Act No. 5, c. 61, 1931	2,000 00	2,000 00	-
99 } *420, *421 } 479 } 100 } *420 }	Departmental Administration	157,626 02	156,143 32	1,482 70
	Annuities Act	257,171 50	255,441 52	1,729 98
Statutory	Government Annuities — Payment required to maintain reserve, Government Annuities Act, c. 7, R.S.	616,981 58	616,981 58	-
101 } *420, *422 }	Combines Investigation Act	59,347 30	57,471 34	1,875 96
102 } 480 }	Fair Wages and Conciliation	93,775 00	63,216 16	30,558 84
	Employment Offices Co-ordination Act—			
103	Administration	28,185 00	25,819 12	2,365 88
Statutory	Payments to the Provinces in connection with the organization and co-ordination of Employment Offices — Employment Offices Co-ordination Act, c. 57, R.S.	50,000 00	50,000 00	-
104 } 481 }	Industrial Disputes Investigation Act	80,000 00	75,211 84	4,788 16
105 } *420 } 423 }	<i>Labour Gazette</i> and other publications authorized by Labour Department Act	60,864 97	60,567 94	297 03
	Technical Education Act—			
106	Administration	2,300 00	2,299 92	08

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Payments to the Provinces for the encouragement of Technical Education—Technical Education Act, c. 193, R.S.	40,727 15	40,727 15	
107	Unemployment Insurance Act, 1940—Administration Less transferred ...	4,700,000 00 15,000 00		
		4,685,000 00	2,343,599 35	2,341,400 65
108	Government's Contribution	8,000,000 00	7,287,121 81	712,878 19
SUPERANNUATION AND RETIREMENT BENEFITS				
Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.	1,190 00	1,190 00	
GENERAL				
68	Unforeseen Expenses, \$80,000; transfer	3,335 91	3,335 91	
	Total Ordinary Expenditures ...	\$14,148,504 43	\$11,051,126 96	\$3,097,377 47
SPECIAL				
109	Commitments under Relief Settlement Agreements with the Provinces	75,000 00	37,686 40	37,313 60
Statutory	Contributions to Youth Training Program — Youth Training Act, c. 35, 1939	405,632 81	405,632 81	
110	Contributions to plans for Rehabilitation of Unemployed Higher Age Persons	125,000 00	35,064 60	89,935 40
111	Relief Projects Less transferred	2,722,700 00 370,000 00		
		2,352,700 00	1,565,713 26	786,986 74
112	Administration Expenses generally, including temporary appointments which may require to be made for such purposes notwithstanding anything contained in the Civil Service Act:— Unemployment Relief and Youth Training National Registration	97,936 00 33,000 00	61,774 89 26,633 94	36,161 11 6,366 06
	Total Special Expenditures	\$ 3,089,268 81	\$ 2,132,505 90	\$ 956,762 91
	Total	\$17,237,773 24	\$13,183,632 86	\$ 4,054,140 38

Certified correct.

B. G. MCINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR.
Auditor General.

Salary of Minister, Salaries Act, c. 182, R.S. \$ 10,000 00

Comments on Expenditures

Payments were made as follows: Hon. N. A. McLarty, April 1 to Dec. 15, \$7,069.90; Hon. H. Mitchell, Dec. 16 to Mar. 31, \$2,930.10.

Motor Car Allowance to Minister, Appropriation Act No. 5, c. 61, 1931... \$ 2,000 00

Comments on Expenditures

Payments were made as follows: Hon. N. A. McLarty, April 1 to Dec. 15, \$1,413.97; Hon. H. Mitchell, Dec. 16 to Mar. 31, \$586.03.

Vote 99 Departmental Administration 134,543 00

Vote *420 Cost of living bonus, supplement 2,518 02

Vote *421 Further amount required 13,000 00

Vote 479 Further amount required 7,565 00

157,626 02

Expenditures 156,143 32

Lapsed \$ 1,482 70

	Estimates details	Allotments authorized	Expenditures
A Salaries	123,580 00	124,298 02	124,298 02
B Printing and Stationery	11,500 00	14,100 00	14,075 63
C Subscriptions to Newspapers, Periodicals, etc.	1,500 00	1,500 00	1,375 12
D Sundries	3,328 00	3,128 00	2,881 87
E Telephones and Telegrams	8,500 00	8,500 00	8,384 19
F Travelling Expenses	5,700 00	5,100 00	4,925 99
G Conference Expenses	1,000 00	1,000 00	202 50
	\$ 155,108 00	\$ 157,626 02	\$ 156,143 32

Comments on Expenditures

A As of March 31, 1942, there were 71 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): B. M. Stewart, Deputy Minister, \$10,000; A. MacNamara, Associate Deputy Minister, \$9,000; C. W. Bolton, \$3,720; G. H. Brown, \$5,220; R. M. Cram, \$3,000; C. A. Enright, \$2,400; G. G. Green, \$4,080; F. M. MacDonald, \$3,000; N. H. MacDonald, secretarial allowance, Apr. 1 to June 30, \$15.00 (salary paid by Post Office Department); M. Mackintosh, \$3,360; A. G. MacLachlan, \$4,080 (on leave without pay from May 15, noon); C. R. McCord, \$2,760; E. McIntyre, secretarial allowance, Apr. 1 to Dec. 15, \$381.77 (salary paid by Department of Public Works); H. R. Runions, \$3,000.

F Travelling Expenses in excess of \$300 were paid as follows: Hon. N. A. McLarty, \$1,294.36; P. Deziel, \$367.91; George G. Green, \$761.66; A. MacNamara, \$381.84; Hon. Humphrey Mitchell, \$1,000; Bryce M. Stewart, \$302.50.

Vote 100 Annuities Act 255,742 00

Vote *420 Cost of living bonus, supplement 1,429 50

257,171 50

Expenditures 255,441 52

Lapsed \$ 1,729 98

	Estimates details	Allotments authorized	Expenditures
A Salaries	80,242 00	84,566 50	84,566 50
B Commissions to Agents	154,000 00	152,700 00	151,397 37
C Printing and Stationery	12,000 00	10,600 00	10,582 20
D Sundries	6,000 00	5,100 00	5,093 74
E Telephones and Telegrams	2,500 00	3,205 00	3,202 34
F Travelling Expenses	1,000 00	1,000 00	599 37
	<u>\$ 255,742 00</u>	<u>\$ 257,171 50</u>	<u>\$ 255,441 52</u>

Comments on Expenditures

This vote provides for the expenses of the administration of the Government Annuities Act, c. 7, R.S.

A As of March 31, 1942, there were 65 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: E. G. Blackadar, \$4,620; E. J. Grimes, \$2,700; C. H. Houston, \$2,400; C. H. McQuarrie, \$3,000; S. B. Stewart, \$2,520.

B The following agents received commissions of over \$5,000: F. C. Crosby, \$5,093.53; J. D. A. McDonald, \$5,008.19. The Post Office Department received \$6,574.04.

Government Annuities—Payment required to maintain reserve, Government Annuities Act, c. 7, R.S. \$ 616,981 58

Comments on Expenditures

A statement of the Government Annuities Fund is published with the Dominion Balance Sheet.

Vote 101 Combines Investigation Act	45,315 00
Vote *420 Cost of living bonus, supplement	32 30
Vote *422 Further amount required	14,000 00
	<u>59,347 30</u>
Expenditures	57,471 34
Lapsed	\$ 1,875 96

	Estimates details	Allotments authorized	Expenditures
A Salaries	21,715 00	22,374 69	22,374 69
B Fees and Expenses for legal counsel, accountants, special commissioners and witnesses	33,600 00	32,972 61	32,297 86
C Printing and Stationery	1,000 00	200 00	107 63
D Sundries	500 00	500 00	98 89
E Telephones and Telegrams	500 00	500 00	94 73
F Travelling Expenses	2,000 00	2,800 00	2,497 54
	<u>\$ 59,315 00</u>	<u>\$ 59,347 30</u>	<u>\$ 57,471 34</u>

Comments on Expenditures

This vote provides for the expenses of the Administration of the Combines Investigation Act, c. 26, R.S.

A As of March 31, 1942, there were 8 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: H. M. Brown, \$4,140; I. M. MacKeigan, \$2,520; F. A. McGregor, \$7,000; A. S. Whiteley, \$3,000.

AUDITOR GENERAL'S REPORT

B The following received over \$5,000 as fees and expenses: McRuer, Mason, Cameron and Brewin, \$27,051.47.

F Travelling expenses in excess of \$300 were paid as follows: H. M. Brown, \$946.11; I. M. MacKeigan, \$1,421.88.

Vote 102 Fair Wages and Conciliation	49,155 00
Vote 480 Further amount required	44,620 00
	93,775 00
Expenditures	63,216 16
Lapsed	\$ 30,558 84

	Estimates details	Allotments authorized	Expenditures
A Salaries	75,975 00	74,775 00	47,154 66
B Printing and Stationery	1,000 00	1,100 00	1,026 02
C Sundries	300 00	300 00	143 38
D Telephones and Telegrams	2,500 00	3,600 00	3,363 14
E Travelling Expenses	14,000 00	14,000 00	11,528 96
	\$ 93,775 00	\$ 93,775 00	\$ 63,216 16

Comments on Expenditures

This vote provides for the expenses of the Administration of the Fair Wages and Hours of Labour Act, 1935.

A As of March 31, 1942, there were 25 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): F. J. Ainsborough, \$3,120; M. S. Campbell, \$5,220 (Nov. 7); E. N. Compton, \$3,000 (Mar. 8); G. R. Currie, \$3,120; F. E. Harrison, \$4,500; R. H. Hooper, \$3,120; H. S. Johnstone, \$4,080; J. S. McCullagh, \$3,120; J. P. Nicol, \$3,480; L. Pepin, \$3,120; H. R. Pettigrove, \$4,500; E. M. Quirk, \$3,780; G. P. Shields, \$3,000; F. X. R. Trepanier, \$4,800.

E Travelling expenses in excess of \$300 were paid as follows: F. J. Ainsborough, \$1,126.01; E. N. Compton, \$365.17; G. R. Currie, \$838.07; F. E. Harrison, \$2,250.06; J. S. McCullagh, \$2,341.93; L. Pepin, \$969.81; E. B. Paul, \$878.01; H. R. Pettigrove, \$453.18; E. M. Quirk, \$372.98; J. M. Wyatt, \$421.24.

Vote 103 Employment Offices Co-ordination Act—Administration	28,185 00
Expenditures	25,819 12
Lapsed	\$ 2,365 88

	Estimates details	Allotments authorized	Expenditures
A Salaries	22,860 00	23,210 00	22,890 74
B Printing and Stationery	3,750 00	3,000 00	1,777 44
C Sundries	200 00	200 00	112 86
D Tabulator and Sorter Rentals	375 00	375 00	167 50
E Telephones and Telegrams	250 00	650 00	554 24
F Travelling Expenses	750 00	750 00	316 34
	\$ 28,185 00	\$ 28,185 00	\$ 25,819 12

Comments on Expenditures

This vote provides for the expenses of the Administration of the Employment Offices Co-Ordination Act, c. 57, R.S.

A As of March 31, 1942, there were 5 employees paid from this vote. The following was receiving an annual salary of \$2,400 or over at date of separation (shown in brackets): A. J. Odam, \$3,000 (Oct. 1. Transferred to Unemployment Insurance Commission).

Employment Offices Co-ordination Act, c. 57, R.S.—Payments to the Provinces in connection with the organization and co-ordination of Employment Offices	\$ 50,000 00
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Comments on Expenditures

The Employment Offices Co-ordination Act provides that the sum of \$150,000 may be paid to the provinces each year, under agreement, in the proportion which the expenditures of each bear to the expenditures of all for the maintenance and operation of public employment offices. Under authority of P.C. 6840 of August 29, 1941, agreements were entered into with the various provinces for the period April 1 to July 31, 1941, only, as the Dominion was to set up its own employment service, as required under the Unemployment Insurance Act, 1940.

The following amounts were paid the provinces: Nova Scotia, \$2,192.58; New Brunswick, \$762.52; Quebec, \$14,578.64; Ontario, \$18,310.15; Manitoba, \$3,424.39; Saskatchewan, \$3,340.60; Alberta, \$2,467.34; British Columbia, \$4,923.78.

Vote 104 Industrial Disputes Investigation Act	40,000 00
Vote 481 Further amount required	40,000 00
	80,000 00
Expenditures	75,211 84
Lapsed	\$ 4,788 16

	Estimates details	Allotments authorized	Expenditures
A Expenditures re various Boards under the Act	77,300 00	75,500 00	71,313 20
B Printing and Stationery	1,200 00	2,700 00	2,226 49
C Telephones and Telegrams	1,500 00	1,800 00	1,672 15
	\$ 80,000 00	\$ 80,000 00	\$ 75,211 84

Comments on Expenditures

This vote provides for the expenses of the Administration of the Industrial Disputes Act, c. 112, R.S.

A As of March 31, 1942, there was 1 employee paid from this vote: B. Rose, \$4,200.

Vote 105 Labour Gazette and other Publications authorized by Labour Department Act	52,010 00
Vote *420 Cost of living bonus, supplement	854 97
Vote 423 Further amount required	8,000 00
	60,864 97
Expenditures	60,567 94
Lapsed	\$ 297 03

	Estimates details	Allotments authorized	Expenditures
A Salaries	14,130 00	15,359 97	15,359 97
B Labour Gazette Correspondents	6,180 00	6,635 00	6,634 16
C Printing and Binding	39,000 00	38,170 00	38,168 42
D Stationery Supplies	500 00	500 00	231 60
E Sundries	200 00	200 00	173 79
	\$ 60,010 00	\$ 60,864 97	\$ 60,567 94

AUDITOR GENERAL'S REPORT

Comments on Expenditures

Payments were for the expenses in connection with the publication and distribution of the *Labour Gazette* and other bulletins, as provided in the Labour Department Act, c. 3, R.S.

A As of March 31, 1942, there were 52 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: D. J. Sutherland, \$3,000; H. J. Walker, \$3,600.

Vote 106 Technical Education Act—Administration	2,300 00
Expenditures	2,299 92
Lapsed	\$ 08

	Estimates details	Allotments authorized	Expenditures
Salaries	\$ 2,300 00	\$ 2,300 00	\$ 2,299 92

Comments on Expenditures

The salary was paid to J. C. McKellar.

Payments to the Provinces for the encouragement of Technical Education —Technical Education Act, c. 193, R.S.	\$ 40,727 15
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Comments on Expenditures

The Technical Education Act, c. 193, R.S., as amended, provides for payments to the Provinces of certain sums of money for the purpose of promoting and assisting technical education, subject, of course, to the Provinces fulfilling certain conditions. The Province of Manitoba was paid the full amount.

Unemployment Insurance Act, 1940

Vote 107 Administration, \$4,700,000 less \$15,000 transferred to De- partment of Trade and Commerce	4,685,000 00
Expenditures	2,343,599 35
Lapsed	\$2,341,400 65

	Allotments authorized	Expenditures
A Salaries	1,750,000 00	1,260,976 31
B Advertising and Publicity	100,000 00	34,214 79
C Telephones, Telegrams and Postage	100,000 00	94,667 61
D Equipment	300,000 00	198,801 32
E Lands and Buildings	200,000 00	114,760 72
F Professional and Special Services	10,000 00	4,081 27
G Rents	300,000 00	70,042 32
H Printing and Stationery	150,000 00	149,884 22
I Supplies and Materials	10,000 00	181 57
J Freight, Express and Cartage	50,000 00	9,226 36
K Travelling Expenses	650,000 00	93,976 09
L Unemployment Insurance Stamps	40,000 00	28,067 60
M Unemployment Insurance Workers' Books	75,000 00	41,148 39
N Commissions to Post Office	171,000 00	128,250 00
O Recoverable Loans to Workers	50,000 00	
P Miscellaneous and Current Expenses	44,000 00	6,954 54
Q Provincial Employment Offices	146,500 00	108,366 24
R Unallotted Balance	538,500 00	
	\$4,685,000 00	\$2,343,599 35

The amount of the above vote was not subdivided in the Estimates details; the allotments were authorized by Treasury Board.

Comments

A As of March 31, 1942, there were 1,394 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): A. M. Mitchell, Commissioner, \$8,000; R. J. Tallon, Commissioner, \$8,000; F. J. Altimas, \$3,000; J. Angus, \$3,600; H. Baird, \$2,640; R. W. Ball, \$2,520; R. G. Barclay, \$4,500; W. H. Barker, \$2,520; S. Barton, \$2,520; J. E. Beauvais, \$3,000; E. R. Beckwith, \$2,640; O. Boucher, \$2,460; R. Bowers, \$2,640; C. W. Boyer, \$2,640; G. A. Buckley, \$3,000; A. C. Burns, \$2,520; W. Carnill, \$3,000; F. R. Clarke, \$3,600; R. F. Clarke, \$2,460; J. P. Cote, \$2,640; L. J. Curry, \$2,460; W. H. L. Darracott, \$3,000; E. H. Davidson, \$2,460; O. Deschamps, \$2,640; E. C. Desormeaux, \$4,020; M. O. J. Dion, \$2,520; E. A. Dionne, \$4,020; K. M. Dinsmore, \$2,520; G. L. Edmunds, \$2,460; W. Fairbridge, \$2,460; S. H. Forbes, \$2,520; E. H. Fortier, \$2,460; R. W. Goss, \$2,640; W. M. Grant, \$2,520 (Feb. 1); P. Grenier, \$2,460; M. Guay, \$3,000; C. L. Hall, \$2,460; R. H. Hall, \$2,460; R. P. Hartley, \$3,720; A. A. Heaps, \$4,200; W. I. Hetherington, \$3,000; W. E. Hill, \$2,520; J. S. Hodgson, \$3,120 (on military leave from Sept. 12); C. B. Howden, \$2,640; H. C. Hudson, \$4,020; P. G. Jones, \$2,520; J. P. Keating, \$2,640; E. P. Laberge, \$4,020; C. S. Landon, \$2,640; E. Langdon, \$2,460; H. S. Livingston, \$2,460; L. M. Lymburner, \$3,600; S. G. Martin, \$2,520; W. T. MacDonald, \$2,520; W. McKinstry, \$3,000; J. H. McVety, \$3,720; C. A. Mudge, \$2,640; A. J. Odam, \$3,120; G. L. Ord, \$2,640; T. Parkinson, \$2,640; A. Peebles, \$5,400; V. C. Phelan, \$4,500; T. A. Phillips, \$2,460; S. Picard, \$3,360; J. A. Prefontaine, \$2,460; L. V. Prefontaine, \$3,000; H. C. Quevillon, \$2,520; C. S. Raper, \$2,520; H. S. Relph, \$4,020; J. E. Rettie, \$2,640; H. R. Richardson, \$2,400; W. H. Ross, \$3,000; W.-K. Rutherford, \$3,300; W. J. Ryan, \$2,640; W. A. Selkirk, \$2,640; O. J. Shaw, \$2,520; R. V. Sladen, \$2,520; J. J. Smith, \$2,460; W. Smitten, \$2,640; M. S. Snyder, \$3,000; E. Stangroom, \$4,020; D. J. Stephenson, \$2,520; H. C. Stratton, \$3,000; G. E. Street, \$2,640; B. G. Sullivan, \$4,020; J. H. Tellier, \$3,000; G. T. E. Tomsett, \$2,640; J. A. Trudelle, \$2,640; J. H. Valin, \$2,460; G. P. Weir, \$3,360; F. J. White, \$3,720; E. E. Widdowson, \$2,520; D. D. Wilson, \$2,640; A. Wood, \$3,000; S. C. Wright, \$2,460; J. M. Wyatt, \$2,520.

This vote was charged with \$3,000 for the services of R. Brown while on loan from the Unemployment Relief and Youth Training Branch of the Department of Labour.

B Consists of radio services, \$4,809.29 and newspaper and other advertising, \$29,405.50. "Advertising Agencies of Canada" received \$30,413.58.

C Charges for the three services were: Telephones, \$14,762.76 (Bell Telephone Account, \$8,439.03); Telegrams, \$5,674.35 and Postage, \$74,230.50.

D Payments of \$5,000 or over were made as follows: Office Specialty Mfg. Co. Limited, \$23,474.48; Preston Furniture Co., \$10,057.17; Preston-Noelting Ltd., \$13,491.59; King's Printer, \$91,327.20; The Steel Equipment Company Limited, \$11,531.49; M. G. Valiquette, \$13,742.70; Vilas Furniture Co. Ltd., \$7,105.76.

E This expenditure represents payments made through Public Works Department as follows: Alterations to quarters, \$111,629.39; light and power, \$2,159.11; fuel, \$937.33; water, \$34.89. Payments of \$5,000 or over were made as follows: Allan & Viner Construction Company, Ltd., \$10,158.15; R. Laidlaw Lumber Co. Ltd., \$6,807.25; Randner Sigurdson, \$7,336.

G Rents amounting to \$69,127.32 were paid through Public Works Department. Payments of \$5,000 or over were made as follows: Granville Estates (No. 2) Ltd., Vancouver, \$9,220.01; Insurance Exchange Corporation Limited, Montreal, \$12,315; Spadina Investments, Toronto, \$7,000.

H Payments to the King's Printer amounted to \$149,267.52.

K Travelling expenses of \$300 and over were paid as follows: J. Angus, \$405.17; R. G. Barclay, \$565.33; W. B. Batsford, \$1,233.02; P. R. Bengough—Advisory Committee, \$1,091.65 including \$405 remuneration; C. Berg—National Employment Committee, \$364.80; H. A. Bruce, \$418; J. Burns, \$419.73; H. F. Caloren, \$647.44; Hon. Justice Lucien Cannon, \$881.55; W. Carnill, \$350.59; H. B. Coristine, \$343.09; J. P. Cote, \$717.28; R. Cote, \$899.49; L. F. D. Coulson, \$360.07; J. P. Coupal, \$398.83; W. H. Cullen, \$701.48; H. T. Curran, \$475.83; G. Dahme, \$604.36; W. H. Darracott, \$392.09; E. H. Davidson, \$304.26; O. Deschamps, \$426.50; E. C. Desormeaux, \$801.92; M. O. J. Dion, \$321.28; H. Edwards, \$399.22; G. A. R. Emery, \$357.42; M. S. Ferguson, \$616.33; R. P. Hartley, \$2,538.36; A. A. Heaps, \$805.25; W. I. Hetherington, \$956.65; E. B. Hewson—Advisory Committee, \$425.90 including \$210 remuneration; C. B. Howden, \$577.85; H. C. Hudson, \$723.63;

G. T. Jackson, \$455.78; J. P. Keating, \$887.44; E. P. Laberge, \$775.77; L. M. Lymburner, \$605.79; P. C. MacCrimmon, \$302.96; J. F. Macdonald, \$391.69; W. A. MacDonald—Advisory Committee, \$583.89 including \$300 remuneration; W. T. Macdonald, \$457.10; H. MacGregor, \$449.52; J. F. MacMillen—Advisory Committee, \$864.70 including \$300 remuneration; S. G. Martin, \$510.49; W. McKinstry, \$323.17; W. L. McLaren, \$415.62; J. H. McVety, \$963.93; A. V. Milton, \$450.04; J. Mireault, \$793.86; A. M. Mitchell, \$1,191.90; J. H. Mulholland, \$679.54; F. H. Mundy, \$481.37; T. H. Nash, \$356.22; A. J. Odam, \$686.77; C. C. Ogilvie, \$324.57; M. L. O'Gorman, \$620.20; G. L. Ord, \$1,135.68; T. Parkinson, \$944.30; R. K. Paton, \$372.78; A. Peebles, \$642.50; V. C. Phelan, \$1,228.36; S. J. Pomfret, \$559.33; L. V. Prefontaine, \$354.05; G. H. Purdy, \$377.68; A. Rackham, \$507.66; H. S. Relph, \$944.67; J. E. Rettie, \$804.60; W. H. Ross, \$339.55; W. K. Rutherford, \$868.64; D. Rymer, \$526.65; G. H. Scott, \$949.84; W. A. Selkirk, \$389.76; O. J. Shaw, \$354.55; R. V. Sladen, \$2,039.12; W. Smitten, \$996.29; E. Stangroom, \$730.33; D. J. Stephenson, \$563.62; R. Stevenson, \$452.48; B. G. Sullivan, \$1,267.69; R. J. Tallon, \$1,384.67; J. S. Taylor, \$512.53; R. J. Theriault, \$804.34; A. S. Thomas, \$467.15; J. K. Thornton, \$685.25; E. J. K. Topley, \$670.64; F. L. Turner, \$691.53; H. L. Viel, \$301.27; E. F. Webb, \$760.08; F. L. Welter, \$1,226.14; F. J. White, \$2,576.17; D. D. Wilson, \$1,158.13; S. C. Wright, \$544.26.

Purchases of street car tickets amounted to \$1,340.29.

- L** Covers payments to the Canadian Bank Note Co. Ltd., of which \$21,198.80 was for balance owing on a contract for printing 87 million stamps, \$28,061.60 having been paid in the previous fiscal year. New issues during the current year involved payments amounting to \$6,868.80.

M King's Printer Account.

- N** The Post Office Department agreed to handle the sale of stamps for the first year's operation of the Act (July 1, 1941, to June 30, 1942) for \$171,000, this amount being based on sales estimated to reach 30 million dollars, the rate being five-sevenths of one per cent. The payments during the nine month period to March 31, 1942, are covered by this allotment. That the estimate of sales was sound is established by actual stamp sales during the period which amounted to \$22,451,711.57.

- Q** This expenditure covers reimbursements to the Provinces for out-of-pocket expenses incurred in continuing various employment offices until finally taken over by the Unemployment Insurance Commission. Payments were made as follows: Nova Scotia, \$4,408.44; New Brunswick, \$2,357.99; Quebec, \$55,944.22; Ontario, \$21,926.16; Manitoba, \$3,651.31; Saskatchewan, \$11,481.43; Alberta, \$2,963.64; British Columbia, \$5,633.05.

Audit Notes

- A** Charges for salary payments to A. A. Heaps were transferred periodically to Vote 107 from Vote 99, Departmental Administration. Mr. Heaps was appointed on May 10, 1940, under authority of the War Measures Act "to act in an advisory capacity in connection with a study which is being made of Unemployment Insurance Legislation." His appointment to the establishment of the Unemployment Insurance Commission was not confirmed.

Salaries were paid during the year to 7 employees whose employment was not authorized in accordance with the regulations.

Overpayments to 2 employees, amounting to \$20.50, were not recovered, according to the records of the Central Pay Office.

- K** An accountable advance of \$180.36 made to an employee, now deceased, was outstanding at the close of the year.

Vote 108 Government's Contribution	8,000,000 00
Expenditures	7,287,121 81
Lapsed	\$ 712,878 19

Comments

The Government's contribution to the Unemployment Insurance Fund represents one-fifth of the aggregate credits to the fund by way of moneys received from (1) the sale of stamps, (\$22,451,711.27) and (2) contributions paid otherwise than by such stamps (\$14,001,209.38) after deducting from the said aggregate credits any refunds of contributions made under the provisions of the Unemployment Insurance Act. Such refunds amounted to \$17,311.60.

Superannuation and Retirement Benefits

Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.. \$ 1,190 00

General

Vote 68 Unforeseen Expenses, \$80,000, transfer\$ 3,335 91

Comments on Expenditures

Under the authority of P.C. 27/7474 of Sept. 23, 1941, Canada participated in a special Conference of the International Labour Organization of the League of Nations held in New York, U.S.A., and which opened on Oct. 27, 1941. Payments were for the expenses of the delegates and technical advisers.

Special

Vote 109 Relief Settlement Agreements with the Provinces 75,000 00

Expenditures 37,686 40

Lapsed\$ 37,313 60

	Allotments authorized	Expenditures
Commitments, 1941-42	\$ 75,000 00	\$ 37,686 40

The amount of the above vote was not subdivided in the Estimates details; the allotments were authorized by the Treasury Board.

Comments on Expenditures

In accordance with agreements commented upon under Vote 111 (a), the following amounts were paid the provinces: Quebec, \$35,009.27; Manitoba, \$963.44; Alberta, \$1,713.69.

*Contributions to Youth Training Program, Youth Training Act, c. 35,
1939*\$ 405,632 81

Comments on Expenditures

Section 3 of the Act provides \$4,500,000 for the purpose of training unemployed young people, \$1,500,000 being available for each of the fiscal years 1939-40, 1940-41 and 1941-42. Section 4 of the Act provides that any portion of any appropriation authorized which remains unexpended at the expiration of any of the said fiscal years shall be carried forward and remain available according to its apportionment during any one or more of the succeeding fiscal years provided, however, that no portion of the said \$4,500,000 shall be paid to any province after March 31, 1943. Section 6 of the Act stipulates that the grant payable in any year to any province shall be approved by the Governor in Council and also that the amount allotted to a province shall not exceed an amount equivalent to that which the provincial government shall agree to expend.

The following amounts were paid on account of previous year's commitments: Prince Edward Island, \$252.28; New Brunswick, \$364.70; Quebec, \$107,780.83; Ontario, \$2,791.09; Manitoba, \$14,700.28; Saskatchewan, \$4,380.14; Alberta, \$5,457.49; British Columbia, \$1,304.11.

The following amounts were paid on account of commitments of 1941-42: Prince Edward Island, \$9,935.05; Nova Scotia, \$13,220.50; New Brunswick, \$13,146.80; Quebec, \$122,064.80; Ontario, \$2,369.36; Manitoba, \$24,038.11; Saskatchewan, \$8,242.30; Alberta, \$51,123.74; British Columbia, \$24,461.23.

AUDITOR GENERAL'S REPORT

Vote 110 Rehabilitation of Unemployed Higher Age Persons	125,000 00
Expenditures	35,064 60
Lapsed	\$ 89,935 40

	Allotments authorized	Expenditures
Commitments, 1941-42	53,000 00	35,064 60
Unallotted	72,000 00	
	<u>\$ 125,000 00</u>	<u>\$ 35,064 60</u>

The amount of the above vote was not subdivided in the Estimates details; the allotments were authorized by the Treasury Board.

Comments on Expenditures

Agreements were entered into with the provinces for the purpose of training or retraining higher age persons who, through continuous unemployment, experienced difficulty in establishing themselves, the projects being, training in hardrock mining, agricultural training, farm chore plan, etc.

The following amounts were paid: Nova Scotia, \$18,774.77; New Brunswick, \$3,606.28; Manitoba, \$11,415.77; Saskatchewan, \$128.62; Alberta, \$1,139.16.

Vote 111 Relief Projects, \$2,722,700, less \$370,000 transferred	2,352,700 00
Expenditures	1,565,713 26
Lapsed	\$ 786,986 74

	Allotments authorized	Expenditures
Commitments, previous years'		
A Relief Settlement	250,000 00	229,609 99
B Farm Employment	1,000 00	772 16
C Rehabilitation of Unemployed	7,068 39	4,149 63
D Direct Relief	972,533 68	972,398 83
E Works Projects	55,000 00	52,970 30
F Transportation of Destitute Families, Ontario	83 38	83 38
G National Forestry Program	78 00	78 00
H Vacant Land Gardening	457 64	457 64
Commitments, 1941-42		
I Quebec Sewer Project	452,700 00	305,193 33
Unallotted	613,778 91	
	<u>\$2,352,700 00</u>	<u>\$1,565,713 26</u>

The amount of the above vote was not subdivided in the Estimates details; the allotments were authorized by the Treasury Board.

Comments on Expenditures

A Under the provisions of the Relief Act, 1932, agreements were entered into with the provinces for the purpose of providing a measure of self-sustaining relief to families by placing them on the land. Further agreements under the Relief Acts of 1934, 1935, 1936 and 1940 provided for continuity of settlement and also for additional placements of families. The Dominion contribution amounts to one-third of the non-recoverable expenditures, the provinces and municipalities contributing two-thirds except in unorganized municipalities where the Dominion and province share equally.

The following amounts were paid: Quebec, \$204,624.69; Manitoba, \$17,267.94; Alberta, \$7,717.36.

- B** Agreements were entered into with the provinces respecting the placing of men on farms; the following amounts were paid: Saskatchewan, \$3.75; British Columbia, \$768.41.
- C** The following amounts were paid the provinces: New Brunswick, \$125; Ontario, \$47.35; Manitoba, \$3,487.02; Alberta, \$490.26.
- D** Under agreements with the provinces, the Dominion contributed for direct relief (food, fuel, clothing and shelter, or cash in lieu thereof) the following amounts: Quebec, \$608,487.24; Ontario, \$36,852.18; Manitoba, \$106,989.89; Saskatchewan, \$3,974.48; Alberta, \$43,848.17; British Columbia, \$172,246.87.
- E** The following amounts were paid the provinces: Prince Edward Island, \$4,988.36; Nova Scotia, \$2,900.48; Quebec, \$39,680.77; Manitoba, \$357.76; Saskatchewan, \$4,874.38; Alberta, \$168.55.
- G** An amount of \$78 was paid to the Department of Pensions and National Health for medical services.
- H** The Province of Ontario was paid an amount of \$457.64.
- I** Under special agreement, the Province of Quebec received \$305,193.33 towards the cost of constructing an intercepting sewer system in Quebec City.
- Further Dominion assistance was provided for the Quebec sewer project by the transfer of \$370,000, P.C. 5037 of July 9, 1941, from this vote to the Federal Department of Public Works.

Vote 112 Administration expenses generally—Unemployment Relief and Youth Training	97,936 00
Expenditures	61,774 89
Lapsed	\$ 36,161 11

	Allotments authorized	Expenditures
A Salaries	85,936 00	56,539 03
B Travelling Expenses	7,000 00	3,277 89
C Printing and Stationery	3,000 00	1,543 18
D Communications	1,200 00	350 83
E Miscellaneous	800 00	63 96
	\$ 97,936 00	\$ 61,774 89

The amount of the above vote was not subdivided in the Estimates details; the allotments were authorized by the Treasury Board.

Comments on Expenditures

- A** The following employees were receiving annual salaries of \$1,800 or over at March 31, 1942, or at date of separation (shown in brackets): H. H. Hereford, Dominion Commissioner, \$6,500; W. S. Boyd, \$2,100; R. Brown, \$4,500 (\$3,000 paid from Vote 107); J. B. Carter, \$3,360 (May 19); J. K. Houston, \$2,500; F. LaFortune, \$2,100; H. Mitchell, \$6,000 (Nov. 15); P. R. Parent, \$2,700; K. J. Price, \$1,920 (May 25); R. F. Thompson, \$5,000.
- B** Travelling expense payments of \$200 or over were: J. P. Bell, \$633.60; F. LaFortune, \$1,754.73; M. M. MacKinnon, \$246.62.

AUDITOR GENERAL'S REPORT

<i>Vote 112 Administration expenses generally—National Registration ..</i>	<i>33,000 00</i>
<i>Expenditures</i>	<i>26,633 94</i>
<i>Lapsed</i>	<i>\$ 6,366 06</i>

	<u>Allotments authorized</u>	<u>Expenditures</u>
A Salaries	25,500 00	23,564 28
B Travelling Expenses	335 00	
C Printing and Stationery	2,800 00	256 95
D Communications	165 00	35 31
E Miscellaneous	500 00	189 90
F Rental of Machines	3,700 00	2,587 50
	<u>\$ 33,000 00</u>	<u>\$ 26,633 94</u>

The amount of the above vote was not subdivided in the Estimates details; the allotments were authorized by the Treasury Board.

Comments on Expenditures

A This amount represents 5 months' salary to August 31, of employees who were subsequently transferred and paid from War Allotment—Man Power Inventory Branch. Details of salaries are shown under the War Allotment.

F This amount was paid to the International Business Machine Co. Ltd., Toronto.

LEGISLATION

REVENUES

THE SENATE

	1941-42	1940-41
Casual Revenue—		
Fees on private bills	12,714 51	16,215 05
Less—Fees on private bills refunded	928 79	627 27
Excess of printing charges		40 50
	<u>11,785 72</u>	<u>15,547 28</u>
Certified copies	263 31	281 65
Less—Excess of fees returned	<u>2 30</u>	
	261 01	
Refund of previous year's expenditure..	90 00	
	<u>\$ 12,136 73</u>	<u>\$ 15,828 93</u>

Certified correct.

L. C. MOYER,
Clerk of the Senate.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

HOUSE OF COMMONS

	1941-42	1940-41
Casual Revenue—		
Fees and charges on private bills	1,510 00	1,691 88
Registration fees, parliamentary agents	225 00	200 00
Refund of previous year's expenditure		20 50
	<u>\$ 1,735 00</u>	<u>\$ 1,912 38</u>

Certified correct.

ARTHUR BEAUCHESNE,
Clerk of the House of Commons.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

APPROPRIATIONS AND EXPENDITURES

A total of \$2,079,783.04 was available for expenditure on account of Legislation, of which \$1,212,296.02 was provided in the annual appropriation acts and \$867,487.02 was authorized by continuing statutory provisions. Expenditures were \$1,951,264.55 for the fiscal year 1941-42, a decrease of \$1,512,629.62 from that of \$3,463,894.17 in 1940-41.

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
THE SENATE				
	The Speaker of the Senate—			
Statutory	Salary — Senate and House of Commons Act, c. 147, R.S.	6,000 00	6,000 00	
Statutory	Motor Car Allowance—Appropriation Act No. 5, c. 61, 1931.	1,000 00	1,000 00	
113	Allowance in lieu of Residence.. Members of the Senate—	3,000 00	3,000 00	
Statutory	Indemnity to Senators and Trans- portation Expenses, Senate and House of Commons Act, c. 147, R.S.	218,937 60	218,937 60	
424	Payment to each member of the Senate who attended the second part of the last session which commenced on Feb. 17, 1941, and ended June 14, 1941, of an amount representing the actual transportation and living ex- penses of such member while on the journey between Ottawa and his place of residence, after the adjournment of Parliament on June 14, 1941, and on the return journey from his place of resi- dence to Ottawa at the end of the recess which commenced on that date and ended on Nov. 3, 1941, or, in case any such mem- ber did not return to his place of residence during the said recess, an amount equivalent to what would have been his travelling expenses if he had returned to his place of residence during the said recess	5,000 00	2,620 20	2,379 80
482	Payment of the full sessional in- demnity for the Session of 1941 to Members of the Senate for days lost through absence due to public business, by illness, or on account of death. Payments to be made as the Treasury Board may direct	10,000 00	4,525 00	5,475 00
114	General Administration	203,400 00	187,484 22	15,915 78
		447,337 60	423,567 02	23,770 58

<u>Vote</u>	<u>Services</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Lapsed</u>
HOUSE OF COMMONS				
The Speaker of the House of Commons—				
Statutory	Salary—Senate and House of Commons Act, c. 147, R.S.....	6,000 00	6,000 00	
Statutory	Motor Car Allowance—Appropriation Act No. 5, c. 61, 1931.....	1,000 00	1,000 00	
115	Allowance in lieu of Residence..	3,000 00	3,000 00	
The Deputy Speaker of the House of Commons—				
Statutory	Salary—Senate and House of Commons Act, c. 147, R.S.....	4,000 00	4,000 00	
116	Allowance in lieu of Apartments..	1,500 00	1,500 00	
Members of the House of Commons—				
Statutory	Indemnity to Members, including additional Indemnity to the Leader of the Opposition—Senate and House of Commons Act, c. 147, R.S.	615,340 00	615,340 00	
Statutory	Motor Car Allowance—Leader of the Opposition, Appropriation Act No. 5, c. 61, 1931	2,000 00	2,000 00	
Statutory	Travelling Allowances to Members—Senate and House of Commons Act, c. 147, R.S.....	12,789 42	12,789 42	
426	Payment to each member of the House of Commons who attended the second part of the last session which commenced on Feb. 17, 1941, and ended June 14, 1941, of an amount representing the actual transportation and living expenses of such member while on the journey between Ottawa and his place of residence, after the adjournment of Parliament on June 14, 1941, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on that date and ended on Nov. 3, 1941, or, in case any such member did not return to his place of residence during the said recess, an amount equivalent to what would have been his travelling expenses if he had returned to his place of residence during the said recess	10,000 00	6,188 09	3,811 91

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Lapsed</u>
484	Full sessional indemnity to Members of the House of Commons—days lost through absence caused by illness, official public business, or on account of death during the present session—notwithstanding anything to the contrary in Chapter 147 of the Revised Statutes, 1927, an Act respecting the Senate and House of Commons or any amendment thereto. Payments to be made as the Treasury Board may direct	15,000 00	6,620 00	8,380 00
485	Payment to each Member of the Senate and of the House of Commons who attended the first part of the present session, of an amount representing the actual moving or transportation expenses and reasonable living expenses of such Member while on the journey between Ottawa and his place of residence after the adjournment of Parliament on Dec. 6, 1940, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on the said date, or in case any such member did not return to his place of residence during the said recess an amount equivalent to what would have been his travelling expenses if he had returned to his place of residence during the said recess....	2,000 00	290 10	1,709 90
117	General Administration—Estimates of the Clerk	486,135 00	437,586 64	48,548 36
483	General Administration—Estimates of the Clerk—to provide for Expenses of the Special Committee on War Expenditures and to authorize expense allowances to Members during the adjournment of the present Session at the rate of \$15 per day for days spent at Ottawa for purposes of the Committee and the payment and acceptance thereof notwithstanding anything to the contrary in Chapter 147 of the Revised Statutes, 1927, an Act respecting the Senate and House of Commons or any amendment thereto, such payments to be made as the Commissioners of Internal Economy of the House of Commons direct	25,000 00	17,713 46	7,286 54

No. of Vote	Services	Appropriation	Expenditures	Lapsed
118}	Estimates of the Sergeant-at-			
420, 425}	Arms	290,217 54	289,161 85	1,055 69
119	Subscriptions to publications of the Empire Parliamentary Associa- tion to be distributed to Members of the House of Commons.....	2,000 00	2,000 00	
SUPERANNUATION AND RETIREMENT BENEFITS				
Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.	420 00 1,476,401 96	420 00 1,405,609 66	70,792 40
GENERAL				
120	Printing of Parliament, including salaries of staff of the Joint Dis- tribution Office	75,000 00	47,255 37	27,744 63
LIBRARY OF PARLIAMENT				
121	General Administration	78,655 00	72,502 51	6,152 49
PENSIONS AND OTHER BENEFITS				
486	To authorize payment from the Consolidated Revenue Fund to Mrs. Evalyn Margaret McCarthy, daughter of the late Sir Mackenzie Bowell, of an annuity at the rate of \$1,000 to commence from April 1, 1941, and to continue dur- ing her lifetime	1,000 00	999 96	04
122	Pension to the unmarried sister of the late Col. Harry Baker, M.P....	700 00	641 65	58 35
GENERAL				
68	Unforeseen Expenses \$80,000; trans- fer	688 48	688 48	
Total Ordinary Expenditures		\$2,079,783 04	\$1,951,264 55	\$ 128,518 49

Certified correct.

B. G. MCINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

THE SENATE

*Salary of the Speaker of the Senate—Senate and House of Commons Act,
c. 147, R.S.* \$ 6,000 00

Comments on Expenditures

Salary was paid to the Honourable G. Parent.

AUDITOR GENERAL'S REPORT

<i>Motor Car Allowance, Speaker of the Senate—Appropriation Act, No. 5, c. 61, 1931</i>	<i>\$ 1,000 00</i>
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Comments on Expenditures

Motor Car Allowance was paid to the Honourable G. Parent.

<i>Vote 113 Allowance in lieu of residence to the Speaker of the Senate ..</i>	<i>3,000 00</i>
<i>Expenditures</i>	<i>\$ 3,000 00</i>

Comments on Expenditures

Allowance was paid to the Honourable G. Parent.

<i>Indemnity to Senators and Transportation Expenses—Senate and House of Commons Act, c. 147, R.S.</i>	<i>\$ 218,937 60</i>
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Comments on Expenditures

Nineteenth Parliament: Second Session, November 7, 1940, to January 21, 1942—Indemnities, \$104,625 and Transportation Expenses, \$120; Third Session, beginning January 22, 1942—payments on account of Indemnities, \$109,980, and Transportation Expenses, \$4,212.60 (balance paid in 1942-43).

<i>Vote 424 Payment to each member of the Senate who attended the second part of the last session which commenced on February 17, 1941, and ended June 14, 1941, of an amount representing the actual transportation and living expenses of such member while on the journey between Ottawa and his place of residence, after the adjournment of Parliament on June 14, 1941, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on that date and ended on November 3, 1941, or, in case any such member did not return to his place of residence during the said recess, an amount equivalent to what would have been his travelling expenses if he had returned to his place of residence during the said recess</i>	<i>5,000 00</i>
<i>Expenditures</i>	<i>2,620 20</i>
<i>Lapsed</i>	<i>\$ 2,379 80</i>

<i>Vote 482 Payment of the full sessional indemnity for the session of 1941 to Members of the Senate for days lost through absence due to public business, by illness, or on account of death. Payments to be made as the Treasury Board may direct</i>	<i>10,000 00</i>
<i>Expenditures</i>	<i>4,525 00</i>
<i>Lapsed</i>	<i>\$ 5,475 00</i>

Comments on Expenditures

Payments were made to the following: Widow of the Honourable J. J. Hughes, \$4,000; R. H. Pope, \$25; J. D. Taylor, \$500.

Vote 114 General Administration	203,400 00
Expenditures	187,484 22
Lapsed	\$ 15,915 78

	Estimates details	Allotments authorized	Expenditures
A Salaries, Wages and Allowances	173,900 00	173,900 00	173,518 95
B Printing and Stationery	10,000 00	10,000 00	2,939 81
C Newspapers and Periodicals	2,500 00	2,500 00	2,258 27
D Postage and Carriage of Mails	1,000 00	1,000 00	759 08
E Debates, King's Printer	8,000 00	8,000 00	4,541 63
F General Expense	8,000 00	8,000 00	3,466 48
	\$ 203,400 00	\$ 203,400 00	\$ 187,484 22

Comments on Expenditures

A As of March 31, 1942, there were 133 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): L. C. Moyer, Clerk of the Senate, \$7,500; H. V. Attfield, \$3,000, allowance as Speaker's Private Secretary, \$600; F. Berryman, \$3,480; L. de Montigny, \$4,740; H. H. Emerson, \$3,480; L. P. Gauthier, \$5,100; D. J. Halpin, \$4,620; A. H. Hinds, \$4,440; B. P. Lake, \$3,480; C. H. Larose, \$2,520; J. F. MacNeill, \$6,000; J. O. A. Roy, \$3,420; A. R. Thompson, \$4,140, allowance in lieu of residence, \$600; N. M. Wood, \$2,520.

P. Larocque was paid \$2,757.74 (including \$567.74 as Private Secretary to the Leader of the Government-The Senate, from April 1, 1941 to March 11, 1942); E. M. Edmondson, a sessional employee was paid \$475.81 as Private Secretary to the Leader of the Opposition from April 1, 1941, to January 16, 1942.

HOUSE OF COMMONS

Salary of the Speaker of the House of Commons—Senate and House of Commons Act, c. 147, R.S.	\$ 6,000 00
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Comments on Expenditures

Salary was paid to the Honourable J. A. Glen.

Motor Car Allowance, Speaker of the House of Commons—Appropriation Act, No. 5, c. 61, 1931	\$ 1,000 00
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Comments on Expenditures

Motor Car Allowance was paid to the Honourable J. A. Glen.

Vote 115 Allowance in lieu of residence to the Speaker of the House of Commons	3,000 00
Expenditures	\$ 3,000 00

Comments on Expenditures

Allowance was paid to the Honourable J. A. Glen.

Salary of the Deputy Speaker of the House of Commons—Senate and House of Commons Act, c. 147, R.S.	\$ 4,000 00
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Comments on Expenditures

Salary was paid to Thomas Vien.

AUDITOR GENERAL'S REPORT

Vote 116	Allowance in lieu of apartments to the Deputy Speaker of the House of Commons	1,500 00
	Expenditures	\$ 1,500 00

Comments on Expenditures

Allowance was paid to Thomas Vien.

Indemnity to members, including additional Indemnity to the Leader of the Opposition—Senate and House of Commons Act, c. 147, R.S.	\$ 615,340 00
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Comments on Expenditures

Indemnity was paid as follows: Nineteenth Parliament—Second Session, November 7, 1940, to January 21, 1942, \$272,180 (balance of \$702,900 was paid in 1940-41); Third Session, beginning January 22, 1942, payments on account, \$333,160 (balance paid in 1942-43). Additional Indemnity of \$10,000 was paid to the Honourable R. B. Hanson, as Leader of the Opposition.

Motor Car Allowance, Leader of the Opposition—Appropriation Act, No. 5, c. 61, 1931	\$ 2,000 00
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Comments on Expenditures

Allowance was paid to the Honourable R. B. Hanson.

Travelling allowances to members—Senate and House of Commons Act, c. 147, R.S.	\$ 12,789 42
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Comments on Expenditures

Allowances were paid as follows: Nineteenth Parliament—Second Session, \$325.25; Third Session, \$12,464.17.

Vote 426	To provide, notwithstanding anything contained in the Senate and House of Commons Act, for the payment to each member of the House of Commons who attended the second part of the last session which commenced on February 17, 1941, and ended June 14, 1941, of an amount representing the actual transportation and living expenses of such member while on the journey between Ottawa and his place of residence, after the adjournment of Parliament on June 14, 1941, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on that date and ended on November 3, 1941, or, in case any such member did not return to his place of residence during the said recess, an amount equivalent to what would have been his travelling expenses if he had returned to his place of residence during the said recess	10,000 00
	Expenditures	6,188 09
	Lapsed	\$ 3,811 91

Vote 484 To provide for the full sessional indemnity to Members of the House of Commons—days lost through absences caused by illness, official public business, or on account of death during the present Session—notwithstanding anything to the contrary in Chapter 147 of the Revised Statutes, 1927, An act respecting the Senate and House of Commons, or any amendments thereto. Payments to be made as the Treasury Board may direct		15,000 00
Expenditures		6,620 00
Lapsed		\$ 8,380 00

Comments on Expenditures

Indemnities were paid to the following: H. Authier, \$75; E. Bertrand, \$75; F. C. Casselman, \$1,320; W. Esling, \$500; Hon. J. L. Ralston, \$25; Hon. W. E. Rowe, \$100; A. G. Slaght, \$75; G. E. Wood, \$450; J. S. Woodsworth, \$4,000.

Vote 485 To provide, notwithstanding anything contained in the Senate and House of Commons Act, for the payment to each member of the Senate and of the House of Commons who attended the first part of the present session, of an amount representing the actual moving or transportation expenses and reasonable living expenses of such member while on the journey between Ottawa and his place of residence after the adjournment of Parliament on December 6, 1940, and on the return journey from his place of residence to Ottawa at the end of the recess which commenced on the said date, or, in case any such member did not return to his place of residence during the said recess, an amount equivalent to what would have been his travelling expenses if he had returned to his place of residence during the said recess—House of Commons (Revote)		2,000 00
Expenditures		290 10
Lapsed		\$ 1,709 90

Vote 117 General Administration—Estimates of the Clerk		486,135 00
Expenditures		437,586 64
Lapsed		\$ 48,548 36

	Estimates details	Allotments authorized	Expenditures
Permanent Salaries	179,515 00	156,948 75	145,679 40
Temporary clerical, secretarial and stenographic staff employed continuously	35,000 00	56,000 00	55,301 43
Temporary sessional staff	159,000 00	160,500 00	148,735 86
A Total Salaries	373,515 00	373,448 75	349,716 69
B Allowances	2,300 00	2,300 00	1,700 00
C Stationery	34,000 00	34,000 00	28,093 54
D Purchase of 360 copies of Canadian Annual Review	2,340 00	2,340 00	
E Postage, Telegrams and Telephones	2,500 00	2,500 00	1,759 28
F Newspapers and Advertising	3,800 00	3,800 00	3,752 48
G Expenses of Committees	13,000 00	13,000 00	429 10
H Publishing Debates	47,330 00	47,330 00	47,330 00
I Transportation of Mails	1,550 00	1,616 25	1,616 25
J Sundries	5,800 00	5,800 00	3,189 30
	\$ 486,135 00	\$ 486,135 00	\$ 437,586 64

AUDITOR GENERAL'S REPORT

Comments on Expenditures

A As of March 31, 1942, there were 235 employees paid from this vote. The following were receiving salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): A. Beauchesne, Clerk of the House of Commons, \$7,500; R. Arsenault, \$3,960; D. O. Ayotte, \$2,970; R. A. Bell, \$3,960; H. Benoit, \$2,880; L. Boulet, \$3,180; C. W. Boyce, \$4,620; I. A. Boyce, \$2,400; P. R. Burt, \$2,760; W. W. Buskard, \$3,360; D. R. Butt, \$3,000; F. Charpentier, \$4,320; W. J. Clinton, \$3,000; L. P. J. Desrosiers (May 31), \$3,600; J. P. Doyle, \$2,520; J. T. Dun, \$4,620; C. L. Empringham, \$3,480; E. L. Featherston, \$3,480; A. A. Fraser, \$4,620; T. M. Fraser (January 21), \$5,120; F. W. S. Galbraith, \$3,960; L. C. Hill, \$2,400; W. Hill, \$2,520; J. Howe, \$3,240; T. S. Hubbard, \$3,480; L. A. Kearns, \$2,400; W. F. A. Lalonde, \$2,640; J. H. Mackay, \$4,140; T. R. Montgomery, \$3,960; H. Oliver, \$3,480; P. M. Ollivier, \$4,620; G. H. Playle, \$3,480; M. Rutherford (July 31), \$2,520; F. Schryburt, \$3,000; P. H. Shelton, \$3,120; H. C. Sherwood, \$3,360; J. H. Smith, \$3,480; V. A. Smith, \$2,400; R. A. Whitman, \$3,000; E. C. Young, \$4,620.

The amount charged to Permanent Salaries includes \$1,123.55 paid to T. M. Fraser, Assistant Clerk of the House of Commons. This is a gratuity equal to the difference between four months' salary—retiring leave with pay—and superannuation, and the payment is authorized by P.C. 1/454 of January 21, 1942.

B Allowances of \$600 per annum each were authorized for the Secretaries of the Speaker and the Deputy Speaker, \$600 for the Sergeant-at-Arms in lieu of residence and \$500 for the Acting Deputy Sergeant-at-Arms. These were paid with the exception of that for the Sergeant-at-Arms in lieu of residence, which lapsed owing to the absence of M. F. Gregg, on active service.

Vote 483 General Administration—Estimates of the Clerk—To provide for expenses of the Special Committee on War Expenditures and to authorize expense allowances to Members during the adjournment of the present Session at the rate of \$15 per day for days spent at Ottawa for purposes of the Committee and the payment and acceptance thereof notwithstanding anything to the contrary in Chapter 147 of the Revised Statutes, 1927, An Act respecting the Senate and House of Commons, or any amendments thereto, such payments to be made as the Commissioners of Internal Economy of the House of Commons direct

25,000 00

Expenditures 17,713 46

Lapsed \$ 7,286 54

Comments on Expenditures

Payments were made as follows: expense allowance of \$15 per day to members, \$11,460; committee clerks, \$6,079.66; sundry expenses, \$173.80.

Vote 118 Estimates of the Sergeant-at-Arms 211,278 00

Vote 425 Further amount required 64,775 00

Vote 420 Cost of living bonus 14,164 54

290,217 54

Expenditures 289,161 85

Lapsed \$ 1,055 69

	Estimates details	Allotments authorized	Expenditures
Permanent Salaries	38,560 26	38,560 26	38,560 26
Temporary Assistance:—			
Pages	5,700 00	5,236 77	5,236 77
Sessional and extra messengers, protective service, etc.	91,230 03	91,693 26	91,693 26
Charwomen	33,271 04	33,271 04	33,271 04
Servants	83,411 89	83,411 89	83,411 89
A Total Salaries	252,173 22	252,173 22	252,173 22
B Joint Parliamentary Restaurant	21,994 32	21,994 32	21,994 32
C Tradesmen and Others	13,750 00	13,750 00	13,731 95
D Housekeeper's Contingencies	500 00	500 00	478 59
E Transportation: motor services and mes- senger service between the House and Government Printing Bureau, etc.	800 00	800 00	633 77
F Unforeseen Expenses: By Order of the Board of Commissioners (Gratuities to retiring sessional messengers, etc.)	1,000 00	1,000 00	150 00
	<u>\$ 290,217 54</u>	<u>\$ 290,217 54</u>	<u>\$ 289,161 85</u>

Comments on Expenditures

- A** As of March 31, 1942, there were 252 employees paid from these votes. There were no employees receiving annual salaries of \$2,400 or over.
- A B** Vote 420 is charged with \$14,164.54 to avoid overdrafts in these appropriations due to payments of Cost-of-Living Bonus (T.221498B).

Vote 119 Subscriptions to publications of the Empire Parliamentary Association to be distributed to members of the House of Commons	2,000 00
Expenditures	<u>\$ 2,000 00</u>

SUPERANNUATION AND RETIREMENT BENEFITS

Gratuities to families of deceased employees—Civil Service Act, c. 22, R.S.	<u>\$ 420 00</u>
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GENERAL

Vote 120 Printing of Parliament, including salaries of staff of the Joint Distribution Office	75,000 00
Expenditures	<u>47,255 37</u>
Lapsed	<u>\$ 27,744 63</u>

	Estimates details	Allotments authorized	Expenditures
Permanent Salaries	6,630 00	6,712 47	6,712 47
Temporary Assistance	2,575 00	2,492 53	1,939 73
A Total Salaries	9,205 00	9,205 00	8,652 20
B Printing, Printing Paper and Binding	65,795 00	65,795 00	38,603 17
	<u>\$ 75,000 00</u>	<u>\$ 75,000 00</u>	<u>\$ 47,255 37</u>

- A** As of March 31, 1942, there were 5 employees paid from this vote. There were no employees receiving annual salaries of \$2,400 or over.

B All accounts for printing were paid to the King's Printer.

AUDITOR GENERAL'S REPORT

LIBRARY OF PARLIAMENT

Vote 121	Library of Parliament—General Administration	78,655 00
	Expenditures	72,502 51
	Lapsed	\$ 6,152 49

	Estimates details	Allotments authorized	Expenditures
A Salaries	61,505 00	61,505 00	56,295 13
B Books—for General Library, including binding	13,000 00	13,000 00	12,872 69
C Books—for the Library of American History	1,000 00	1,000 00	996 91
D To provide for Cost of Printing Reports..	1,000 00	1,000 00	553 26
E Printing and Stationery	1,000 00	1,003 51	1,003 51
F Sundries	1,150 00	1,146 49	781 01
	\$ 78,655 00	\$ 78,655 00	\$ 72,502 51

Comments on Expenditures

A As of March 31, 1942, there were 16 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: F. Desrochers, General Librarian of Parliament, \$6,000; E. Bilodeau, \$4,140; J. C. Brown, \$2,400; F. A. Hardy, \$4,140; T. E. Monette, \$2,400; J. Tarte, \$3,720; H. D. Throop, \$3,000.

B Amounts for Books, including binding, were paid to the following: E. G. Allen Son, Ltd., London, England, \$2,455.73; James Hope and Sons, Ltd., Ottawa, \$2,039.56; Charles Scribner's Sons, New York, \$1,335.62. Supplies from the King's Printer cost \$3,663.44 and sundry accounts under \$1,000 amounted to \$5,156.26.

F All charges under Sundries were for Transportation on books, etc.

PENSIONS AND OTHER BENEFITS

Vote 486	To authorize payment from the Consolidated Revenue Fund to Mrs. Evalyn Margaret McCarthy, daughter of the late Sir MacKenzie Bowell, of an annuity at the rate of \$1,000 to commence from April 1, 1941, and to continue during her lifetime	1,000 00
	Expenditures	999 96
	Lapsed	\$ 04

Vote 122	Pension to the unmarried sister of the late Col. Harry Baker, M.P.	700 00
	Expenditures	641 65
	Lapsed	\$ 58 35

GENERAL

Vote 68	Unforeseen Expenses, \$80,000; transfer	688 48
	Expenditures	\$ 688 48

Comments on Expenditures

The following payments were made: \$641.63 to Harriet Baker, being pension payment for 1940-41 but not paid in that year; \$46.85 to the Speaker under authority of Treasury Board Minute, T. 217699B.

DEPARTMENT OF MINES AND RESOURCES

REVENUES

Ordinary Revenue:—	Summary	1941-42	1940-41
Dominion Lands—			
Canadian National Parks		464,214 00	382,733 76
Northwest Territories		165,630 21	146,872 19
Yukon Territory		86,242 72	97,714 74
Forest Service		20,207 81	28,412 12
Public Lands		12,202 95	20,227 64
Surveys and Water Power		36,032 77	12,124 15
Ordnance Lands		34,701 66	39,488 30
Chinese Immigration Revenue		655 00	2,474 00
Casual Revenue		182,965 77	180,021 23
Fines and Forfeitures		24,082 93	26,001 67
		<i>1,026,935 82</i>	<i>936,069 80</i>
Special Revenue		38,120 71	1,391 70
		<u>\$1,065,056 53</u>	<u>\$ 937,461 50</u>

Revenues for the year 1941-42 were approximately \$127,000 more than in 1940-41. Increases are noted chiefly in the following classifications: Canadian National Parks, \$81,480.24; Northwest Territories, \$18,758.02; Surveys, \$23,908.62 and Special Revenue, \$36,729.01; decreases as follows, Yukon, \$11,472.02; Forest Service, \$8,204.31 and Public Lands, \$8,024.69. In the Canadian National Parks, auto and livery licences, timber permits and sale of buffalo products accounted for \$65,000 of the \$81,000 increase. The gain of \$12,000 in livery licence revenue was due in part to collection of 5 per cent of gross livery earnings instead of the usual fixed rate per car, whilst a \$25,000 increase in proceeds from sales of buffalo products was achieved by charging a higher rate per lb. In the Northwest Territories, revenues derived from fur exports increased \$28,000 and timber sales \$5,000. Decreases were noted in all phases of mining activity, the total being \$18,000. The increase of \$24,000 in Surveys Revenue can be ascribed wholly to the purchase of maps by the United States Army. Repayments of advances under Special Revenue were greater than the previous year. These advances had been made by the Immigration Branch through United States Consular Offices to Canadian Nationals detained or interned in enemy occupied or controlled territories. The revenue decreases in the Yukon, Forest Service and Public Lands resulted from lessened mining activities, reduction in the number of sales of timber in silvicultural operations at Petawawa and fewer land sales respectively.

Details

Dominion Lands:

A Canadian National Parks—

Licences: Auto, \$115,090.31; business, \$6,060; chauffeurs, \$662; dog, \$915; fishing, \$1,536.24; guide, \$127; hotel, rooming and boarding house, \$1,616; livery, \$19,033.43; taxidermists, \$62.15	145,102 13
Park rates: Cemetery, \$108; electric light, \$75,734.47; garbage, \$7,479.68; ice lockers, \$519.25; rentals, \$26,980.79; sewer, \$7,376.88; telephones, \$18,043.59; water, \$27,376.83	163,619 49
Permits: Building, \$279; camping, \$12,285; duck hunting, \$314; grazing, \$25; timber, \$30,896.30; miscellaneous, \$5,186.85	48,986 15
Fees: Bath tickets, \$40,284.50; golf, \$14,708.75; museum admissions, \$2,986.95; tennis, \$476.05; transfer and office, \$482.45; weigh scales, \$84.14	59,022.84
Concessions: Bungalow camp, \$3,269.71; bus, \$4,598.98; cup vending machines, \$4.66	7,873 35
Sales: Accommodation signs, \$71; buffalo products, \$26,501.92; publications, \$168.03; timber, \$7,579.30	34,320 25
Miscellaneous	5,289 79
	<i>464,214 00</i>

B Northwest Territories—

Mining Lands: Coal leases, \$282.13; coal royalty, \$6.25; domestic coal permits, \$15; dredging leases, \$60; miners licences, \$5,015.83; petroleum and natural gas leases, \$551.01; placer mining fees, \$5; quartz mining fees, \$6,684.20; quartz mining leases, \$59.97; gold quartz royalties, \$18,868.91..	31,548 30
Sundry Lands: Gravel permits, \$93; grazing, \$28.82; hay permits, \$20.05; land rental, \$2,412.83; land sales, \$152.33; timber dues, \$14,478.31.....	17,185 34
Fur export tax	103,736 39
Game Licences: Fur farm, \$26; game, \$2,739.30; trading post, \$15.....	2,780 30
General Licences: Business, \$6,308.50; liquor, \$79; marriage, \$63; motor vehicle, \$383.50; professional, \$55	6,889 00
Miscellaneous: Buffalo products, \$310; fur sales, \$700.60; house rental, \$120; office fees, \$231.43; reindeer products, \$1,924.90; steam boiler inspection fees, \$200; sundry, \$3.95	3,490 88
	165,630 21

C Yukon Territory—

Mining Lands: Coal leases, \$62.34; placer mining fees, \$32,989; placer gold royalty, \$32,791.28; quartz mining fees, \$2,995.54; quartz mining leases, \$50; quartz mining royalty, \$3,225.11.....	72,113 27
Sundry Lands: Dredging leases, \$144.30; hydraulic leases, \$2,395; land rentals, \$5,843.07; timber dues, \$5,742.58; sundry, \$4.50	14,129 45
	86,242 72

D Forest Service—

Publications, \$669.95; timber dues, \$16,384.40; timber sales, \$1,712.07; wood specimens and tests, \$903.43; wood sales, \$525.48; sundry, \$12.48	20,207 81
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E Public Lands—

Grazing permits, \$213.90; land rentals, \$4,590.04; land sales, \$3,115.50; office fees, \$534.45; quarrying lease, \$48.20; timber dues, \$3,700.86.....	12,202 95
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F Surveys and Water Power—

Dominion Land Survey Act fees, \$35; maps and publications, \$33,985.27; rentals, \$2,012.50	36,032 77
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G Ordnance Lands—

Clearance rights, \$223.10; gravel royalty, \$468.75; hay permits, \$50; land rentals, \$10,832.07; land sales, \$22,662.74; office fees, \$35; quarrying leases, \$30; sale of buildings, \$400	34,701 66
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H Chinese Immigration Revenue—

Registration of leave certificates at \$2, \$530; substitutional certificates at \$25, \$125	655 00
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I Casual Revenue—

Provincial contributions towards cost of water power investigation.....	30,822 00
Refunds in respect to transfer of water power development to the Province of Manitoba	89,531 20
Proceeds from sales	28,064 97
Refunds of previous year's expenditures	20,615 15
Miscellaneous: assays, analyses, testings, \$3,383.78; land registration fees, \$424.50; permits and licences issued under the Explosives Act, \$2,034; rentals, \$5,747.68; unclaimed estates, Yukon, \$335.34; sundry collections, \$2,007.15	13,932 45
	182,965 77

J Fines and Forfeitures—

Fines and forfeitures imposed for infraction of, and in accordance with, the following Acts—Canadian National Parks, \$1,376.35; Explosives, \$85; Immigration, \$12,195.07; Chinese Immigration, \$9,000; Migratory Birds, \$389; Northwest Territories, \$1,037.40; Sundry, 11c	24,082 93
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K Special Revenue

Refunds of previous year's expenditure: Unemployment Relief, \$1.60; War appropriation, \$38,119.11	38,120 71
	<u>\$1,065,056 53</u>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

The Revenues reported above have been collected by the various Branches of the Department as follows: Mines and Geology, \$9,191.62; Lands, Parks, and Forests, \$793,064.99; Surveys and Engineering, \$177,237.25; Indian Affairs, \$16,567.45; Immigration, \$68,995.22.

A Canadian National Parks. The various fees for licences and permits, the park rates, etc., in the National Parks, are established by the Governor in Council under authority of the National Parks Act, except in certain instances where the Governor in Council gives the Minister authority to establish terms and conditions. Taxidermists' licences are issued in accordance with regulations established by the Governor in Council under Section 4 of the Migratory Birds Convention Act. With respect to Park Rates, the Department reports that there were at March 31, 1942, the following unpaid accounts: Electric light, \$848.82; garbage rates and sewer rates, \$3,536.76; rentals, \$5,927.38; telephone, \$36.73; water rates, \$2,472.20; sundry, \$75.

B Northwest Territories. In the Northwest Territories, revenue from Mining Lands and Sundry Lands is collected in accordance with regulations established by the Governor in Council under Sections 31 to 35, 49 and 57, of the Dominion Lands Act. The fur export tax, as well as general licence revenue, is collected under authority of Ordinances established by the Commissioner in Council under authority of Section 10 of the Northwest Territories Act. Game licence revenue is collected under Section 4 of the Northwest Game Act. The gold quartz royalties of \$18,868.91 collected from two gold mines, the Negus Mines Ltd., \$9,140.89 and the Consolidated Mining and Smelting Co. Ltd., \$9,728.02, represent a royalty of 3 per cent on annual profits after the exemptions allowed under Section 91 of the Quartz Mining Claim Regulations were deducted.

In addition to the revenues reported above, revenue from the sale of liquor in the Territories is deposited in the Consolidated Revenue Fund and credited to the Northwest Liquor Special Account and is disbursed for territorial purposes, in accordance with the Territorial Liquor Ordinance of April 27, 1939. At present the Province of Saskatchewan is the Territorial Liquor Agent operating a store at Yellowknife. After the deduction of certain agreed costs, net receipts are forwarded to the Receiver General. At March 31, 1942, net liquor receipts for the fiscal year totalled \$49,302.38 and fines, \$345, which together with the balance on hand March 31, 1941, made a total of \$87,158.20. Disbursements included purchase of fire fighting equipment, \$9,406.78; road construction, \$971.35; salary of mining inspector, \$997.84; grant to auditors, \$600; leaving a balance in the Account of \$75,182.23.

C Yukon. Mining Land revenue in the Yukon Territory is collected under authority of Sections 83, 84 and 89 of the Yukon Placer Mining Act and Sections 93 and 95 of the Yukon Quartz Mining Act. Sundry Land revenue is collected under regulations established by the Governor in Council in accordance with Section 4 of the Dominion Lands Act and Section 12 of the Water Power Act. All other revenues in the Yukon Territory, including liquor, fur export tax and local tax revenues are retained in the Territory and disbursed by the Yukon Council. The Dominion Lands revenue reported above as credited to the Consolidated Revenue Fund of Canada is offset by a yearly Dominion grant to the Yukon which this year amounts to \$67,500.

D Forest Service. These revenues are derived from the sale of services and timber in the Forestry Stations and Forest Products Laboratories of the Department. The timber dues are assessed in accordance with regulations established by the Governor in Council, or at Petawawa and Valcartier with National Defence regulations.

E Public Lands. This revenue represents collections from land and timber that remained the property of the Crown as represented by the Dominion after the transfer of the National Resources to the Western Provinces. The revenue is collected in accordance with regulations established by the Governor in Council under various sections of the Dominion Lands Act.

In addition to the revenues reported above under Public Lands, \$16,374.88 was collected on account of seed grain loans issued up to the year 1926 under authority of the several Seed Grain and Relief Acts. Of the total collected, \$10,126.38 representing Principal was credited to the Special Account, and \$6,248.50 Interest was credited to Interest on Investment Account. Under authority of Chapter 51, 1926-27, an Act respecting the adjustment of indebtedness for these advances, the Farmers' Creditors Arrangement Act, 1934, and the Saskatchewan Natural Resources Transfer Act, \$146,517.00 was written off during the year, \$58,407.84 from Principal, and \$88,109.16 from Interest. Interest added to the Accounts amounted to \$165,634.11. Loans outstanding at March 31, 1942, totalled \$6,237,639.92 including interest of \$3,479,139.53.

F Surveys and Water Power. Dominion Lands Surveys examination fees are collected in accordance with Section 28 of the Act. The price scale for sales of maps and plans are set by the Governor in Council under authority of the Dominion Lands Surveys Act, Section 6 and in some cases of map sales, by Ministerial ruling.

G Ordnance Land. Revenue is derived from the sale or rental of Ordnance and Admiralty Lands by the Governor in Council in accordance with the Ordnance and Admiralty Lands Act. In addition to the revenue received, the departmental ledgers at March 31, 1942, indicated that amounts outstanding, matured and unmatured, total \$39,970.02.

H Chinese Immigration. Revenue is collected under Sections 3, 23, 25 and 27 of the Chinese Immigration Act.

I Refunds in respect to transfer of water power developments to the Province of Manitoba. The refunds are classified as follows: Capital charges due January 1, 1942, Lac Seul, \$22,766.93; Lake of the Woods, \$43,420.63; operating charges for calendar year 1941, Lac Seul, \$17,304.74; Lake of the Woods, \$6,038.90. These refunds are collected from the Province under authority of the Manitoba Natural Resources Act, Chapter 29 of the Statutes of 1930 and represent the capital outlay by the Dominion on lake levels and runoff, and the operating expenses paid yearly from the departmental votes of the Department.

I Proceeds from sales. This revenue is derived from the sale of sundry equipment, supplies and publications. The sales of equipment and supplies are made through the Salvage Board in accordance with regulations approved by the Governor in Council. Fees for publications and hydrographic charts are set by departmental authority. Distribution is also made by the Department and not by the King's Printer.

I Miscellaneous. Assays and analyses revenue represents fees charged in accordance with a departmental tariff. Revenue derived from the issue of permits for the importation of explosives, magazine and factory licences is collected in accordance with regulations established by the Governor in Council under authority of Section 5 of the Explosives Act.

APPROPRIATIONS AND EXPENDITURES

A total of \$11,974,136.86 was available for expenditure on account of the Department of Mines and Resources after the transfer of Coal Subsidies and Subventions amounting to \$4,782,415.00 to Wartime Prices and Trade Board, Department of Finance. Of the available amount, \$11,631,095 was provided in the annual appropriation accounts, \$338,456.93 was authorized by continuing statutory provisions and \$4,584.93 was transferred from the Department of Finance. Expenditures were \$11,204,709.53 for the fiscal year 1941-42, a decrease of \$5,026,081.18 from those of \$16,230,790.71 in 1940-41.

In addition a total of \$1,084,064.67 was allotted to the Department from the War Appropriation. Expenditures thereunder amounting to \$759,065.52 are shown in the War Expenditures section of the report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salary of Minister, Mines and Resources Act, c. 33, 1936.....	10,000 00	10,000 00	
Statutory	Motor car allowance to Minister, Appropriation Act No. 5, c. 61, 1931	2,000 00	2,000 00	
123	Departmental Administration ...	155,450 00	154,119 76	1,330 24
MINES AND GEOLOGY BRANCH				
124	Branch Administration	29,015 00	27,949 51	1,065 49
	Bureau of Mines—			
125	Bureau of Mines Administration	26,105 00	23,217 06	2,887 94
126	Mineral Resources Investigations	394,350 00	383,351 95	10,998 05
127	Explosives Act	24,970 00	22,552 06	2,417 94
	Bureau of Geology and Topography—			
128	Bureau of Geology and Topography Administration and Miscellaneous Services	113,435 00	99,529 11	13,905 89
129 } *427 }	Geological Surveys	263,935 00	259,162 72	4,772 28
130	Topographical Surveys, including expenses of the Geographic Board of Canada	183,930 00	173,580 29	10,349 71
131	Drafting and Map Reproduction	122,865 00	120,441 82	2,423 18
132	National Museum of Canada....	56,680 00	45,663 10	11,016 90
LANDS, PARKS AND FORESTS BRANCH				
133	Branch Administration	21,250 00	19,843 62	1,406 38
	Government of the Northwest Territories—			
134	General Administration, operation and maintenance of services, including Wood Buffalo Park	266,655 00	245,880 23	20,774 77
135 } *488 }	Eastern Arctic Expedition	60,540 00	58,652 74	1,887 26
487	Payment of Legal expenses in connection with the Indian Eskimo reference	10,000 00	9,903 43	96 57
	Government of the Yukon Territory—			
136 } *489 }	Administration	46,250 00	40,223 83	6,026 17
137	Grant to Yukon Council	47,500 00	47,500 00	
490	Compassionate Grant to Denis Ryan	2,500 00	2,500 00	
	Dominion Forest Service—			
138	General scientific, economic and administrative services.	115,740 00	113,048 49	2,691 51
139	Forest Experiment Stations ..	47,140 00	41,489 50	5,650 50
140	Forest Products Laboratories.	144,097 00	133,725 28	10,371 72
141	Grant to Canadian Forestry Association	1,620 00	1,620 00	
142	Land Registry, Seed Grain Collections, Administration of Ordnance, Admiralty and Public Lands	53,725 00	51,390 46	2,334 54
	National Parks Bureau—			
143 } *420 }	National Parks and Historic Sites Services	1,147,658 19	1,147,641 59	16 60

* Supplementary vote.

No. of Vote	Services	Appropriation	Expenditures	Lapsed
144	Administration of Migratory Birds Convention Act.....	48,920 00	46,246 15	2,673 85
145	Grant to John Thomas (Jack) Miner	2,500 00	2,500 00	
Statutory	The Refunds (Natural Resources) Act, 22-23 George V Chap. 35..	105 15	105 15	
GENERAL				
68	Unforeseen expenses, expenditure thereof to be subject to the approval of the Treasury Board, and a detailed statement to be laid before Parliament within fifteen days of next Session..	1,116 18	1,116 18	
SURVEYS AND ENGINEERING BRANCH				
146	Branch Administration	21,950 00	21,094 11	855 89
147	Dominion Observatory, Ottawa..	95,845 00	94,666 49	1,178 51
148	Dominion Astrophysical Observatory, Victoria, B.C.	30,880 00	28 504 25	2,375 75
149	Dominion Water and Power Bureau, including the administration of the Dominion Water Power and Irrigation Acts	203,150 00	198,841 96	4,308 04
150 } *420 }	Lake of the Woods Control Board	7,875 56	7,566 63	308 93
151	For the expenses incurred under the agreement between the Dominion, Ontario and Manitoba confirmed by the Lac Seul Conservation Act, 1928, moneys expended to be largely reimbursed	18,000 00	17,002 59	997 41
491	For acquiring flowage easements and discharging claims of owners of riparian lands in Ontario below the outlets of Lake of the Woods affected by regulations under the Lake of the Woods Control Board Act (Revote)..	2,000 00	113 20	1,886 80
492	For general expenses of the Committee established under P.C. 682 dated February 17, 1941, to report on the conservation of the waters of the St. Mary and Milk Rivers	500 00	120 74	379 26
152	Engineering and Construction Service	87,530 00	80,032 96	7,497 04
153	Geodetic Service	135,840 00	129,909 21	5,930 79
154	To recoup the Temiskaming and Northern Ontario Railway Commission in connection with their claim for injury to John Hedin	240 00	240 00	
155	International Boundary Commission	33,400 00	30,918 91	2,481 09
	Hydrographic and Map Service—			
156	Hydrographic Service	350,824 00	346,721 70	4,102 30
157	Legal Surveys and Map Service, including grant of \$350 to assist in printing the publication of the Canadian Institute of Surveying	176,430 00	170,096 34	6,333 66

No. of Vote	Services	Appropriation	Expenditures	Lapsed
493	Dominion contributions towards cost of extending the survey of the boundary between Manitoba and Saskatchewan (Provinces concerned to bear two-thirds of total costs)	1,000 00	1,000 00	
158	For the payment of fees of the Board of Examiners for Dominion Land Surveyors, of the Secretary and of the Sub-Examiners and for travelling expenses, stationery, printing, rent, etc., (the fees of F. H. Peters, W. M. Tobey and Harry Parry, members of the Board, and A. W. W. Cole, Secretary, are to be paid out of this sum)	850 00	814 73	35 27
INDIAN AFFAIRS BRANCH				
159	Branch Administration	54,800 00	52,839 00	1,961 00
160	Indian Agencies	654,893 00	630,435 46	24,457 54
	Reserves and Trusts—			
161	Administration	40,365 00	32,697 49	7,667 51
Statutory	Indian Annuities, Indian Act, c. 98 R.S.	262,127 00	262,127 00	
	Medical—			
162	Indian Hospitals and General Care of Indians	1,442,217 00	1,334,588 52	107,628 48
163 } *494 }	Grants to Hospitals	7,900 00	7,900 00	
	Welfare and Training—			
164	Welfare of Indians	967,374 00	707,356 83	260,017 17
165	Indian Education	500,616 00	475 338 90	25,277 10
166	Grants to Residential Schools.	1,398,944 00	1,393,392 14	5,551 86
167	Grants to Agricultural Exhibitions and Indian Fairs, as detailed in the Estimates....	6,870 00	5,663 70	1,206 30
168	Grant to provide for additional services to Indians of British Columbia	100,000 00	99,116 83	883 17
IMMIGRATION BRANCH				
169	Administration of the Immigration Act and the Chinese Immigration Act	164,030 00	156,787 09	7,242 91
170	Field and Inspectional Service, Canada	1,127,515 00	1,044,329 07	83,185 93
171	Field and Inspectional Service, Abroad	103,630 00	84,476 09	19,153 91
172	Relief of Distressed Canadians, Outside Canada	10,000 00	3,668 97	6,331 03
PENSIONS AND OTHER BENEFITS				
Statutory	Mrs. Doris Ryckman and children, Appropriation Act, No. 6, c. 50, 1936	690 00	690 00	
175	Mrs. Alice Morson Smith	600 00	600 00	
176	Mrs. Elizabeth Swinford	600 00	600 00	

* Supplementary vote.

AUDITOR GENERAL'S REPORT

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Lapsed</u>
SUPERANNUATION AND RETIREMENT BENEFITS				
Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.	5,030 00	5,030 00	
	Total Ordinary Expenditures....	11,414,567 08	10,710,234 94	704,332 14
SPECIAL				
LANDS, PARKS AND FORESTS BRANCH				
National Parks Bureau—				
177 }	National Parks Forest Conservation	329,500 00	300,249 84	29,250 16
*495 }		40,000 00	39,277 82	722 18
178				
SURVEYS AND ENGINEERING BRANCH				
179	Development of Tourist Highways	13,000 00	7,652 47	5,347 53
180	Roads—Improvement to main tourist routes from the International Boundary to Banff, Yoho, Kootenay and Jasper Parks (Revote)	11,000 00	10,771 31	228 69
INDIAN AFFAIRS BRANCH				
181	Fur Conservation, and to authorize subject to the approval of the Governor in Council, the appointment of such extra temporary officers, clerks and employees as may be necessary for the purpose of this item..	100,000 00	71,055 42	28,944 58
496	For repairs and improvements to Government Buildings relating to Indian Medical Field Administration (Revote)	7,565 00	6,962 95	602 05
	Total Special Expenditures	501,065 00	435,969 81	65,095 19
WRITE DOWN OF ASSETS				
Statutory	Reduction of Assisted Passage Loans—Empire Settlement Advances, Farmers' Creditors Arrangement Act, c. 53, 1934	96 94	96 94	
Statutory	Seed Grain and Relief Accounts—An Act respecting certain debts due the Crown, c. 51, 1926-27..	58,406 84	58,406 84	
	An act respecting the transfer of the Natural Resources of Saskatchewan, c. 41, 1930	1 00	1 00	
	Total Write Down of Assets..	58,504 78	58,504 78	
	Grand Total	\$11,974,136 86	\$11,204,709 53	\$ 769,427 33

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR.
Auditor General.

Salary of Minister, Mines and Resources Act, c. 33, 1936.\$ 10,000 00

Comments on Expenditures

The Minister of the Department of Mines and Resources was Hon. T. A. Crerar.

Motor Car Allowance to Minister, Appropriation Act No. 5, c. 61, 1931. ..\$ 2,000 00

Vote 123 Departmental Administration 155,450 00
Expenditures 154,119 76

Lapsed\$ 1,330 24

	Estimates details	Allotments authorized	Expenditures
A Salaries	142,925 00	142,325 00	142,264 75
B Printing and Stationery	5,000 00	3,200 00	3,030 69
C Supplies and Materials	1,000 00	1,000 00	958 22
D Travelling Expenses	3,500 00	3,500 00	2,992 23
E Telephones, Telegrams, Postage, etc.	2,500 00	1,500 00	1,255 61
F Sundries	500 00	3,900 00	3,618 26
G Deferred Retiring Leave	25 00	25 00	
	<u>\$ 155,450 00</u>	<u>\$ 155,450 00</u>	<u>\$ 154,119 76</u>

Comments on Expenditures

A As of March 31, 1942, there were 58 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): C. Camsell, Deputy Minister, \$10,000; W. M. Bailey, \$4,320 (Aug. 26); A. J. Baxter, \$3,000; W. C. Bethune, \$3,000, secretarial allowance, \$300; F. W. Carson, \$2,400; H. Chandler, \$3,420; J. M. Clarke, \$3,600; H. H. Cooper, \$2,400; T. L. Cory \$4,320; W. M. Cory, \$4,320; K. R. Daly, \$4,500; H. J. Davidson, \$3,720; C. W. Jackson, \$5,400; J. T. Larochele \$2,520; V. A. Minnes, \$4,020; G. H. Murray, \$3,000; A. B. Phelan, \$2,400; W. J. F. Pratt, \$4,320, secretarial allowance, \$300; W. M. Vincent, \$2,880; H. C. Warner, \$2,880.

D Travelling expenses included in this allotment are: Hon. T. A. Crerar, \$1,550; Dr. C. Camsell, \$1,191.44.

F Included in this allotment are payments of \$3,155.47 to Mrs. John Bell and \$45 to Mr. John Bell, Ottawa, Ontario, in compensation for injuries received when struck by a departmental truck. The payments were authorized by Treasury Board.

MINES AND GEOLOGY BRANCH

Vote 124 Branch Administration 29,015 00
Expenditures 27,949 51

Lapsed\$ 1,065 49

	Estimates details	Allotments authorized	Expenditures
A Salaries	25,890 00	25,935 00	25,692 80
B Printing and Stationery	250 00	600 00	481 23
C Telegrams, Telephones, Postage, etc.	1,500 00	1,050 00	739 25
D Travelling Expenses	400 00	200 00	98 30
E Sundries	975 00	1,230 00	937 93
	<u>\$ 29,015 00</u>	<u>\$ 29,015 00</u>	<u>\$ 27,949 51</u>

AUDITOR GENERAL'S REPORT

Comments on Expenditures

A As of March 31, 1942, there were 10 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. McLeish, Director, \$7,500 (Apr. 1-Oct. 31), W. B. Timm, Director, \$6,600 (Nov. 1-Mar. 31); L. L. Bolton, \$5,220; E. M. Edwards, \$2,400; J. R. Kirkconnell, \$3,300.

B Increase due to stationery purchases.

E Further amount was needed to cover share of the cost of the annual report.

Vote 125 Bureau of Mines: Administration	26,105 00
Expenditures	23,217 06
Lapsed	\$ 2,887 94

	Estimates details	Allotments authorized	Expenditures
A Salaries	23,425 00	23,440 00	21,938 70
B Printing and Stationery	900 00	900 00	520 76
C Travel (Field Studies)	500 00	500 00	70 00
D Sundries	1,280 00	1,265 00	687 60
	\$ 26,105 00	\$ 26,105 00	\$ 23,217 06

Comments on Expenditures

A As of March 31, 1942, there were 10 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): M. M. Farnham, \$3,000; T. G. Madgwick, \$4,020; W. B. Timm, \$5,400 (Nov. 1). (See also Vote 124).

Vote 126 Bureau of Mines: Mineral Resources Investigations	394,350 00
Expenditures	383,351 95
Lapsed	\$ 10,998 05

	Estimates details	Allotments authorized	Expenditures
A Salaries	351,948 06	339,698 06	334,666 57
B Supplies and Materials	19,800 00	25,800 00	23,119 65
C Travel (Field Investigations)	8,000 00	6,000 00	5,526 71
D Printing, Binding, Lithographing, etc.	2,500 00	4,500 00	3,911 93
E Equipment	10,000 00	15,500 00	13,492 17
F Sundries	2,101 94	2,851 94	2,634 92
	\$ 394,350 00	\$ 394,350 00	\$ 383,351 95

Comments on Expenditures

The purpose of this vote is to provide for investigations, in laboratory, office and field, pertaining to mineral resources, the mining and metallurgical industries, mineral technology and economics of production and marketing; and the dissemination of information with respect thereto.

A As of March 31, 1942, there were 57 employees paid from this vote of which 51 were paid on a prevailing rate basis. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): A. K. Anderson, \$4,020; C. E. Baltzer, \$3,300; H. L. Beer, \$2,940; K. W. T. Bowles, \$2,580; N. B. Brown, \$3,060; G. J. A. Buisson, \$3,300; E. J. Burrough, \$3,300; J. M. Casey, \$3,240; H. M. Chantler,

\$3,300; L. H. Cole, \$4,020; R. W. Cornish, \$2,700; B. P. Coyne, \$3,300; V. L. Eardley-Wilmot, \$3,300; S. C. Ells, \$4,020; G. S. Farnham, \$3,840; J. A. Fournier, \$3,660; H. Frechette, \$4,980; C. H. Freeman, \$2,700; R. E. Gilmore, \$4,620; M. F. Goudge, \$4,020; B. F. Haanel, \$4,980; M. H. Haycock, \$3,300; W. S. Jenkins, \$2,700; J. D. Johnstone, \$3,180; J. F. Kostash, \$2,460; H. A. Leverin, \$3,300; E. S. Malloch, \$4,020; E. S. Martindale, \$4,020; J. S. McCree, \$2,700; T. T. Merrifield, \$3,060 (leave without pay from Jan. 1.); C. B. Mohr, \$3,180; G. C. Monture, \$4,440; J. H. H. Nicolls, \$3,300; W. H. Norrish, \$3,720; R. J. Offord, \$2,700; C. S. Parsons, \$4,980; L. H. S. Pereira, \$2,700; J. G. Phillips, \$3,180; R. H. Picher, \$3,300; R. A. Rogers, \$3,300; A. Sadler, \$3,300; H. S. Spence, \$4,620; D. M. Stewart, \$2,520; E. Swartzman, \$2,820; A. A. Swinnerton, \$3,300; L. O. Thomas, \$4,020; R. J. Traill, \$4,620; W. T. Turrall, \$2,820; E. H. Wait, \$2,700 (on loan to Department of Munitions and Supply from Aug. 1); T. E. Warren, \$4,020; A. W. G. Wilson, \$4,980 (Aug. 6); R. J. Young, \$2,700.

B The increase was due to the volume of war work carried on in the Bureau of Mines.

C Travelling expenses of \$300 or over include: J. M. Casey, \$325.53; V. L. Eardley-Wilmot, \$852.89; S. C. Ells, \$303.61; M. F. Goudge, \$508.87; H. A. Leverin, \$741.77; C. S. Parsons, \$516.01; H. S. Spence, \$373.18; E. Swartzman, \$644.96; sundry travel, \$1,259.89.

D Increase to take care of the cost of printing various editions of reports.

E The purchase of two motor cars at a cost of \$2,204.98 and extra duties caused the increase.

Vote 127 Bureau of Mines: Explosives Act.....	24,970 00
Expenditures	22,552 06
Lapsed	\$ 2,417 94

	Estimates details	Allotments authorized	Expenditures
A Salaries	17,100 00	17,505 00	17,503 04
B Travelling Expenses	4,000 00	3,655 00	2,279 39
C Equipment and Supplies	1,850 00	1,850 00	1,412 80
D Professional and other Special Services..	600 00	600 00	50 00
E Sundries	1,420 00	1,360 00	1,306 83
	\$ 24,970 00	\$ 24,970 00	\$ 22,552 06

Comments on Expenditures

The purpose of this vote is to provide for the administration of the Explosives Act, an Act to regulate the manufacture, testing, storage and importation of explosives.

A As of March 31, 1942, there were 7 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: W. P. Campbell, \$3,420; M. C. Fletcher, \$3,420; F. E. Leach, \$4,860.

B Travelling expenses over \$300 include: W. P. Campbell, \$1,365.24; F. E. Leach, \$702.52; sundry, \$211.63.

E Removal expenses of \$728.34 for W. P. Campbell from Vancouver to Ottawa are included in this allotment.

Vote 128 Bureau of Geology and Topography: Administration and Miscellaneous Services	113,435 00
Expenditures	99,529 11
Lapsed	\$ 13,905 89

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries	95,957 80	95,957 80	85,701 97
B Supplies and Materials	9,000 00	10,000 00	9,093 14
C Equipment	5,000 00	4,000 00	2,412 02
D Purchase of Air Photographs for Aerial Photographic Library and related Expenses	300 00	300 00	38 90
E Sundries	3,177 20	3,177 20	2,283 08
	<u>\$ 113,435 00</u>	<u>\$ 113,435 00</u>	<u>\$ 99,529 11</u>

Comments on Expenditures

A As of March 31, 1942, there were 44 employees paid from this vote, of which 2 were paid on a prevailing rate basis. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): G. D. Barrowman, \$2,700; G. G. Clarke, \$3,180 (May 26); W. P. Daly, \$3,420; H. J. Dunlap, \$3,420; J. Hardouin, \$3,285; F. C. C. Lynch, \$5,400; P. J. McClymont, \$3,000; P. J. Moran, \$3,000; P. E. Palmer, \$3,420 (Oct. 1. See also Vote 130); E. C. Rochon, \$3,000; S. M. Steeves, \$3,240; L. O. Thomas, \$4,020 (June 1. See also Vote 126); A. V. Waite, \$2,820.

E Travelling expenses amounting to \$716.16 of officials attending various association meetings were paid from this allotment.

Vote 129 Bureau of Geology and Topography: Geological Surveys.... 256,935 00

Vote 427 Further amount required 7,000 00

Expenditures 263,935 00

Lapsed \$ 4,772 28

	Estimates details	Allotments authorized	Expenditures
A Salaries	166,991 00	164,281 00	164,263 04
B Field Surveys and Travel	80,000 00	82,150 00	77,496 59
C Printing, Binding, Lithographing, etc.	8,500 00	8,940 06	8,940 06
D Equipment, Supplies and Sundries	8,444 00	8,563 94	8,463 03
	<u>\$ 263,935 00</u>	<u>\$ 263,935 00</u>	<u>\$ 259,162 72</u>

Comments on Expenditures

The purpose of this vote is to make provision for the study of rocks, minerals and ore deposits of Canada, in field and in office, that may lead to the discovery of ore and kindred deposits and more successful exploitation of such deposits already known, and to publish the results of such investigations.

A As of March 31, 1942, there were 54 employees, of which 2 were prevailing rates, paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: F. J. Alcock, \$4,620; J. W. Ambrose, \$3,720; W. A. Bell, \$4,620; H. S. Bostock, \$3,900; C. E. Cairnes, \$4,620; J. F. Caley, \$2,700; W. E. Cockfield, \$4,260; H. C. Cooke, \$1,620; H. V. Ellsworth, \$4,440; R. J. C. Fabry, \$3,300; G. Hanson, \$4,620; J. F. Henderson, \$2,580; G. S. Hume, \$4,620; A. W. Jolliffe, \$3,420; E. D. Kindle, \$2,580; A. H. Lang, \$3,000; C. S. Lord, \$2,460; B. R. MacKay, \$4,620; D. C. Maddox, \$3,600; J. R. Marshall, \$3,600; F. H. McLearn, \$4,620; G. W. H. Norman, \$4,440; E. Poitevin, \$4,620; H. M. A. Rice, \$3,240; C. M. Sternberg, \$2,760; J. S. Stewart, \$3,720; C. H. Stockwell, \$4,080; T. L. Tanton, \$4,620; L. J. Weeks, \$3,600; R. T. D. Wickenden, \$3,600; A. E. Wilson, \$2,880; M. E. Wilson, \$4,620; G. A. Young, \$4,980.

Under authority of the War Measures Act, local allowances of \$300 per annum were paid from March 1, 1942, to the following employees: J. E. Armstrong; J. D. Bateman; H. H. Beach; A. F. Buckman; G. M. Furnival; C. O. Hage; J. F. Henderson; E. D. Kindle; C. S. Lord; G. Shaw.

Gratuity of \$86.11 was paid from this vote to the estate of a prevailing rate employee (late E. S. Carlyle).

B This allotment includes: salaries of 64 student assistants, \$21,043.93; wages of 72 labourers, \$14,042.69; air services, \$6,340.07; travelling expenses, \$14,301.07; equipment and supplies, \$14,193.76; maintenance and care of horses, \$689.64.

D Expenses of \$158.96 of the Vancouver office were paid from this allotment.

Vote 130 Bureau of Geology and Topography: Topographical Surveys,	
including expenses of the Geographic Board of Canada . . .	183,930 00
Expenditures	173,580 29
Lapsed	\$ 10,349 71

	Estimates details	Allotments authorized	Expenditures
A Salaries	135,795 00	128,295 00	120,277 83
B Field Surveys and Travel	44,500 00	45,000 00	44,236 22
C Equipment, Supplies and Sundries	3,635 00	10,635 00	9,066 24
	<u>\$ 183,930 00</u>	<u>\$ 183,930 00</u>	<u>\$ 173,580 29</u>

Comments on Expenditures

A As of March 31, 1942, there were 47 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): R. Bartlett, \$3,240; E. F. Browne, \$3,240; J. V. Butterworth, \$3,240; M. G. Cameron, \$3,240 (Jan. 2. See also Vote 157); J. Carroll, \$2,700; K. G. Chipman, \$4,440; J. H. Corry, \$2,400; W. A. Fletcher, \$3,420; E. S. Fry, \$2,700; A. O. Gammon, \$2,700; S. Hunt, \$2,700; J. A. MacDonald, \$3,240; W. L. McIlquham, \$3,240; G. A. MacLeod, \$2,400; R. C. McDonald, \$3,240; R. B. McKay, \$3,780; S. C. McLean, \$3,420; W. H. Miller, \$3,420; D. A. Nichols, \$3,420; P. E. Palmer, \$3,480; J. H. Petterson, \$2,700; B. H. Segre, \$3,285; H. N. Spence, \$3,240; J. W. Spence, \$3,240; C. H. Taggart, \$3,420; A. C. Tuttle, \$2,700; E. W. Walker, \$2,400; E. J. Wight, \$2,700.

B The expenses of 12 topographical survey parties include, salaries of 8 student assistants, \$2,267.27, wages of 45 labourers, \$12,958.80; travelling expenses, \$3,749.71; supplies and equipment, \$6,495.59; sundries, \$2,261.75. The Province of Nova Scotia provided \$3,042.38 to assist in two of the above surveys.

Also included are payments of \$8,935.00 to the Canadian Airways Ltd., and \$10,610.48 to Dominion Skyways Ltd., for aerial photographic surveys, topographical and geological reconnaissance, etc.

C The original amount set up for this allotment was far below that actually required to take care of repairs to cars and equipment, storage of equipment, care of horses, etc., and the replacement of worn and lost equipment.

Vote 131 Bureau of Geology and Topography: Drafting and Map	
Reproduction	122,865 00
Expenditures	120,441 82
Lapsed	\$ 2,423 18

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries	62,865 00	63,297 00	63,117 99
B Supplies and Materials	5,000 00	1,568 00	763 59
C Printing, Binding, Lithographing, etc.	55,000 00	58,000 00	56,561 14
	<u>\$ 122,865 00</u>	<u>\$ 122,865 00</u>	<u>\$ 120,441 82</u>

Comments on Expenditures

- A As of March 31, 1942, there were 28 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: S. G. Alexander, \$3,420; A. Dickison, \$4,020; A. Joanes, \$3,420; W. Landles, \$2,640; A. McGregor, \$2,880; A. Sullivan, \$2,880; R. Veitch, \$2,760; E. J. Villeneuve, \$2,700.
- C This amount was paid to King's Printer.

Vote 132 National Museum of Canada	56,680 00
Expenditures	45,663 10
Lapsed	\$ 11,016 90

	Estimates details	Allotments authorized	Expenditures
A Salaries	52,230 00	52,230 00	44,388 55
B Printing, Binding, Lithographing, etc.	1,500 00	1,500 00	318 78
C Museum Equipment, Supplies, Purchase of Specimens, etc.	2,000 00	2,000 00	840 75
D Sundries	950 00	950 00	115 02
	<u>\$ 56,680 00</u>	<u>\$ 56,680 00</u>	<u>\$ 45,663 10</u>

Comments on Expenditures

- A As of March 31, 1942, there were 19 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): R. M. Anderson, \$4,500; C. M. Barbeau, \$4,320; D. Jenness, \$4,500 (on loan to Department of National Defence from Sept. 1); C. E. Johnson, \$2,760; W. Malcolm, \$3,900 (May 8); C. L. Patch, \$2,820; A. E. Porsild, \$2,520; P. A. Taverner, \$4,320; W. J. Wintemberg, \$3,060 (Apr. 25).

LANDS, PARKS AND FORESTS BRANCH

Vote 133 Branch Administration	21,250 00
Expenditures	19,843 62
Lapsed	\$ 1,406 38

	Estimates details	Allotments authorized	Expenditures
A Salaries	17,910 00	17,910 00	17,353 34
B Printing and Stationery	1,500 00	1,500 00	1,288 62
C Travelling Expenses	915 00	915 00	653 50
D Telephones, Telegrams, Postage, etc.	500 00	500 00	324 88
E Sundries	425 00	425 00	223 28
	<u>\$ 21,250 00</u>	<u>\$ 21,250 00</u>	<u>\$ 19,843 62</u>

Comments on Expenditures

A As of March 31, 1942, there were 6 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: R. A. Gibson, Director, \$7,500; E. M. Dennis, \$4,620.

Vote 134 Government of the Northwest Territories—General Administration, operation and maintenance of services, including Wood Buffalo Park

Expenditures	266,655 00
Expenditures	245,880 23

Lapsed	\$ 20,774 77
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	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	114,230 00	114,430 00	112,880 10
B Living Allowances	4,200 00	4,500 00	4,500 00
C Printing and Stationery	3,725 00	3,725 00	2,220 38
D Supplies and Materials	35,055 00	35,055 00	29,823 63
E Travelling Expenses	6,500 00	6,500 00	4,396 60
F Freight, Express, Telegrams, Postage, etc...	7,000 00	7,000 00	6,730 29
G Equipment, Maintenance and Repairs	6,550 00	6,550 00	4,327 53
H Hospitalization; Professional and other Special Services; Grants to Schools; Assistance to Industrial Homes	70,260 00	65,060 00	57,219 25
I Sundries	19,135 00	23,835 00	23,782 45
	<u>\$ 266,655 00</u>	<u>\$ 266,655 00</u>	<u>\$ 245,880 23</u>

Comments on Expenditures

The expense of operating the various services was as follows: Head Office, Administration, \$52,147.52; District Office, Fort Smith, \$29,961.74; Hospitalization, \$28,859.50; Medical Services, \$37,638.88; Reindeer Stations, \$20,075.22; Relief to Destitutes, \$47,529.79; Schools, \$6,203.58; Wood Buffalo Park, \$19,073.24; Administration of Civil Justice, \$4,390.76.

The Reindeer Station is located in the Northern MacKenzie District and consists of some 6,600 square miles. The costs of operation were as follows: salaries and wages, \$10,821.10; supplies and materials, \$6,674.79; express, freight, etc., \$2,306.14; equipment, maintenance, \$215.23; sundry, \$57.96.

Wood Buffalo Park is an area of 17,300 square miles with a regular warden service. The costs of operation were as follow: salaries and wages, \$11,100.07; supplies and materials, \$6,415.93; travelling expenses, \$216.75; express, freight, etc., \$721.13; equipment maintenance, \$496.77; sundry, \$122.59.

A B As of March 31, 1942, there were 37 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. A. Biddell, \$2,520, living allowance, \$1,080; T. F. Bracken, \$2,400; N. W. Champagne, \$1,920, living allowance, \$1,500; T. Clifford, \$2,400; A. L. Cumming, \$4,620; P. J. Daly, \$3,000; J. F. Doyle, \$3,000; E. Druce, \$2,700; J. E. Gibben, \$3,000 (Aug. 14. See Vote 136); L. D. Livingstone, \$3,480; J. W. K. Lock, \$3,000; D. L. McKeand, \$4,620; W. N. McKee, \$2,520, living allowance, \$1,080; M. Meikle, \$3,420; J. Melling, \$2,520 living allowance, \$1,080; J. L. Morin, \$2,400; G. W. Payton, \$3,000; C. A. Perkins, \$3,000; E. M. Phillips, \$2,400; P. E. Trudel, \$2,700, living allowance, \$1,500; J. A. Urquhart, \$3,000, living allowance, \$1,500.

D The expenditures in this allotment consist of: Coal, \$1,412.10; coal oil, \$565.14; dog food, \$882.75; gasoline and oil, \$1,593; hunting and fishing supplies, \$595.86; fuel oil, \$298.93; medical supplies, \$4,017.28; photographic supplies, \$252.09; provisions, \$17,435.81; sundry supplies, \$2,770.67.

E This allotment is made up as follows: Travelling expenses of employees, \$2,688.67; of others, \$1,707.93. Employees who received \$300 or over include: W. N. McKee, \$656.69 of which \$466.94 was removal expenses; M. Meikle, \$1,258.73; J. Melling, \$326.70 removal expenses.

H Assistance in the maintenance of hospitals and schools accounts for the greater part of this allotment. Under authority of Ordinances, payment at the rate of \$2.50 per day is made for the treatment and maintenance of indigent patients in hospitals. Grants are made to the Church of England and Roman Catholic authorities towards the maintenance of day and boarding schools. Hospital maintenance amounting to \$27,734.75 was paid to the following: Aklavik, All Saints Mission, \$5,681; Roman Catholic Mission, \$1,822.50; Chesterfield, Ste. Theresa's General Hospital, \$3,587.50; Dartmouth, N.S., Nova Scotia General Hospital, \$878.89; Fort Rae, Farad Hospital, \$265; Fort Resolution, St. Joseph's Hospital, \$1,409.50; Fort Simpson, Ste. Marguerite's, \$1,042.50; Fort Smith, Roman Catholic General, \$1,964.50; Hay River, St. Peter's, \$325; London, Ont., Queen Alexandra Sanatorium, \$198.78; Moose Factory, Newnham Hospital, \$120; Pangnirtung, St. Luke's, \$7,646.05; Ponoka, Alta., Provincial Mental Hospital, \$2,573.03; sundry, \$220.50. Grants to day schools amounting to \$3,970.83 were as follow: Church of England Missions, Aklavik, \$400, Baker Lake, \$62.50, Eskimo Point, \$62.50, Fort Simpson, \$150, Pangnirtung, \$187.50; Roman Catholic Missions, Aklavik, \$400, Fort Providence, \$400, Fort Resolution, \$400, Fort Simpson, \$200, Fort Smith, \$500; Yellowknife Public School, \$1,208.33; Grants to boarding schools amounting to \$22,895.80 were as follows: Church of England Missions, Aklavik, \$8,730.69; Roman Catholic Missions, Aklavik, \$7,842.52; Chesterfield, \$2,286.04; Fort Providence, \$1,860; Fort Resolution, \$2,176.55.

Vote 135 Government of the Northwest Territories—Eastern Arctic Expedition	25,700 00
Vote 488 Further amount required	34,840 00
	60,540 00
Expenditures	58,652 74
Lapsed	\$ 1,887 26

	Estimates details	Allotments authorized	Expenditures
A Miscellaneous Expenses, including Charter of Vessel	25,000 00	25,000 00	25,000 00
B Supplies and Materials	200 00	200 00	19 70
C Freight, Expenses, Telegrams, Postage, etc.	34,940 00	34,090 00	32,485 68
D Travelling Expenses	400 00	1,250 00	1,147 36
	\$ 60,540 00	\$ 60,540 00	\$ 58,652 74

Comments on Expenditures

- A** The Hudson's Bay Company under authority of an agreement approved by Order in Council 2155 May 23, 1940, received \$25,000 for a chartered trip of the *S.S. Nascopie*. Under this agreement the Company transports 800 tons of freight and 20 round trip passengers.
- C** In addition to the amount paid under A, the Hudson's Bay Company received \$32,446.88 for transportation of further supplies and equipment under a schedule of rates approved by Order in Council 34/3191 of May 6, 1941.

Vote 487 Government of the Northwest Territories—For the payment of Legal expenses in connection with the Indian Eskimo Reference	10,000 00
Expenditures	9,903 43
Lapsed	\$ 96 57

Comments on Expenditures

The above expenditure was incurred in presenting the case of the Dominion Government *versus* the Province of Quebec before the Supreme Court of Canada in June, 1938, on the question of whether the term "Indian" as used in the British North America Act of 1867 included Eskimos. The counsel of the Dominion Government, J. M. Stewart, K.C., Halifax, received the above amount for his services for the period 1934 to 1938.

Vote 136 Government of the Yukon Territory—Administration 41,750 00

Vote 489 Further amount required 4,500 00

Expenditures 46,250 00
40,223 83

Lapsed \$ 6,026 17

	Estimates details	Allotments authorized	Expenditures
A Salaries	17,885 00	18,185 00	17,012 60
B Living Allowances	7,700 00	7,700 00	7,699 92
C Maintenance, Transportation, etc., of Insane Patients	15,500 00	15,500 00	11,272 75
D Advertising and Publicity	1,000 00	1,000 00	999 72
E Freight, Express, Telegrams, Postage, etc..	1,000 00	1,000 00	955 86
F Travelling Expenses	1,000 00	1,000 00	938 45
G Printing and Stationery	1,000 00	1,000 00	516 07
H Sundries	1,165 00	865 00	828 46
	\$ 46,250 00	\$ 46,250 00	\$ 40,223 83

Comments on Expenditures

A B As of March 31, 1942, there were 11 employees paid from this vote. The following were receiving salaries of \$2,400 or over on that date: G. H. Capell, \$1,715.28; living allowance, \$1,500; V. Faulkner, \$1,715.28, living allowance, \$1,200; J. E. Gibben, \$4,500 (see Vote 134); G. A. Jeckell, \$4,620, living allowance, \$2,000; M. Munroe, \$1,175.28, living allowance, \$1,500; S. M. Wood, \$1,865.28, living allowance, \$1,500.

C The Province of British Columbia received \$10,978.03 for care and maintenance, etc., of insane patients at Essondale and New Westminster Hospitals.

Vote 137 Government of the Yukon Territory—Grant to Yukon Council 47,500 00
Expenditures 47,500 00

Comments on Expenditures

This grant is used to assist the local government in general expenditures including the construction and maintenance of roads, etc. The receipt and expenditure of the territorial funds, and of the portion of moneys appropriated by Parliament which the Commissioner is authorized to expend, were examined and audited in accordance with the provisions of section 22 of the Yukon Act, Chapter 215, R.S. 1927.

In addition to the above grant a further sum of \$20,000 was provided from the War Appropriation for the construction of a road and bridge in the Mayo district.

**Vote 490 Government of the Yukon Territory—Compassionate Grant to
Denis Ryan 2,500 00**
Expenditures \$ 2,500 00

AUDITOR GENERAL'S REPORT

Comments on Expenditures

Denis Ryan was accidentally killed while crossing on the Government ferry at Dawson on June 14, 1936. The above payment is a grant to the father in full settlement of all claims.

Vote 138 Dominion Forest Service—General scientific, economic and administrative services	115,740 00
Expenditures	113,048 49
Lapsed	\$ 2,691 51

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	105,955 00	105,955 00	105,504 41
B Living Allowances	288 00	288 00	252 00
C Travelling Expenses	3,687 00	3,137 00	1,530 41
D Printing and Stationery	1,950 00	2,250 00	2,235 63
E Supplies and Materials	1,680 00	1,680 00	1,327 27
F Telephones, Telegrams, Freight, Cartage, etc.	1,223 00	1,223 00	995 92
G Equipment	700 00	725 00	721 68
H Sundries	257 00	482 00	481 17
	\$ 115,740 00	\$ 115,740 00	\$ 113,048 49

Comments on Expenditures

The purpose of this vote is to provide for administrative services in the advancement of forest conservation in Canada; the investigations of forest conditions and determination of rates of growth.

The amounts expended on these services are as follows: Head Office, \$90,193.01; Maritime District Office, \$5,208.31; Manitoba-Saskatchewan District Office, \$7,351.56; New Brunswick Survey, \$10,295.61.

A As of March 31, 1942, there were 47 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: D. R. Cameron, \$5,400; R. H. Candy, \$2,700; H. A. DeVeber, \$2,700; J. R. Dickson, \$3,000; P. A. Gorman, \$3,240; W. E. D. Halliday, \$2,700; J. D. B. Harrison, \$3,600; H. L. Holman, \$3,300; D. A. MacDonald, \$4,620; G. A. Mulloy, \$3,000; W. M. Robertson, \$4,020; H. E. Seely, \$2,700; G. Tunstell, \$3,300; E. E. Turton, \$3,000; J. C. Veness, \$3,000; R. M. Watt \$2,700; J. G. Wright, \$3,120.

B Two Forest Assistants, Grade I, receive an allowance at a rate of \$144 in lieu of house.

C Travelling expenses of \$300 and over include D. R. Cameron, \$327.32, D. A. MacDonald, \$300.44.

E G These allotments include auto repairs, \$645.36; gasoline and oil, \$390.63; photographic supplies, etc., \$302.22; miscellaneous supplies, \$710.74.

Vote 139 Dominion Forest Service—Forest Experiment Stations	47,140 00
Expenditures	41,489 50
Lapsed	\$ 5,650 50

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	37,612 00	36,852 00	31,682 41
B Travelling Expenses	595 00	595 00	385 88
C Printing and Stationery	455 00	455 00	207 28
D Supplies and Materials	4,933 00	5,023 00	5,021 61
E Telephones, Telegrams, Freight, Cartage, etc.	400 00	520 00	519 07
F Equipment	2,775 00	3,325 00	3,322 38
G Sundries	370 00	370 00	350 87
	\$ 47,140 00	\$ 47,140 00	\$ 41,489 50

Comments on Expenditures

This vote provides for research work at five forest experiment stations, Acadia, Valcartier, Petawawa, Riding Mountain and Kananaskis. The results are made available to the provinces and industry.

The amounts expended at these stations are as follows: Acadia, \$9,132.24; Valcartier, \$1,415.61; Petawawa, \$23,109.92; Riding Mountain, \$1,620.92; Kananaskis, \$6,210.81.

A As of March 31, 1942, there were 7 salaried employees paid from this vote. The following received \$2,400 or over on that date: M. B. Morison, \$2,610; E. G. Saunders, \$2,700.

D F These allotments include the following payments: fuel oil, \$417.36; gasoline and oil, \$3,685.61; auto supplies and repairs, \$2,489.85; equipment and repairs, \$1,632.40; miscellaneous supplies, \$118.77.

Vote 140 Dominion Forest Service—Forest Products Laboratories	144,097 00
Expenditures	133,725 28
Lapsed	\$ 10,371 72

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	127,121 00	127,121 00	119,099 52
B Travelling Expenses	2,500 00	2,500 00	1,232 80
C Printing and Stationery	2,380 00	2,700 00	2,698 44
D Supplies and Materials	3,935 00	5,455 00	5,452 11
E Telephones, Telegrams, Freight, Cartage, etc.	1,465 00	1,465 00	980 39
F Equipment	6,696 00	3,906 00	3,313 43
G Sundry		950 00	948 59
	\$ 144,097 00	\$ 144,097 00	\$ 133,725 28

Comments on Expenditures

This vote is to provide for the operation of Forest Products Laboratories of which there are three units, namely the main Laboratories at Ottawa, a pulp and paper division at Montreal in the operation of which the Canadian Pulp and Paper Association participates, and a branch laboratory in Vancouver, housed in the buildings provided by the British Columbia Government.

A As of March 31, 1942, there were 55 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): J. B. Alexander, \$2,880; M. J. Brophy, \$3,480; R. M. Brown, \$4,320; H. W. Eades, \$2,700; E. S. Fellows, \$2,940; C. W. Fritz, \$2,880; C. Greaves, \$3,300; J. D. Hale, \$3,240; J. F. Harkom, \$3,480; T. A. McElhanney, \$4,620; R. S. Millett, \$2,700; C. R. Mitchell, \$2,700; R. S. Perry, \$2,880; G. H. Rochester, \$3,480 (on loan to Department of Munitions and Supply from Nov. 1); A. A. Scott, \$4,320; W. E. Wakefield, \$2,700; F. H. Yorston, \$3,300.

D F These allotments include auto repairs, \$217.07; gasoline and oil, \$178.87; laboratory equipment and supplies, \$3,096.02; office equipment, \$214.44; scientific equipment and supplies, \$4,811.82; photographic supplies, \$247.32.

Vote 141 Dominion Forest Service: Grant to Canadian Forestry Association	\$1,620 00
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Vote 142 Land Registry, Seed Grain Collections, Administration of Ord- nance, Admiralty and Public Lands	53,725 00
Expenditures	51,390 46
Lapsed	\$ 2,334 54

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	Estimates details	Allotments authorized	Expenditures
A Salaries	50,720 00	48,920 00	47,883 18
B Travelling Expenses	300 00	300 00	35 20
C Telephones, Telegrams, Postage, etc.	100 00	100 00	32 57
D Supplies and Materials	400 00	400 00	60 84
E Printing and Stationery	1,100 00	1,700 00	1,614 93
F Legal and Registration Fees	200 00	200 00	114 69
G Surveys	300 00	300 00	113 67
H Sundries, including Local Improvement Taxes	605 00	605 00	335 38
I Soldier Settlement		1,200 00	1,200 00
	<u>\$ 53,725 00</u>	<u>\$ 53,725 00</u>	<u>\$ 51,390 46</u>

Comments on Expenditures

- A As of March 31, 1942, there were 26 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: A. A. Cahoon, \$3,000; J. C. Cowan, \$2,400; A. S. Cram, \$3,240; J. M. Douglas, \$2,400; J. F. Gillespie, \$3,000; C. R. G. Olmstead, \$2,400; H. L. Stewart, \$2,400; J. W. L. Turner, \$5,220.
- I This payment of \$1,200 was made to the Soldier Settlement Board for investigation work in connection with appraisal of land values, etc.

Vote 143 National Parks—National Parks and Historic Sites Services.. 1,144,380 00

Vote 420 For cost of living bonus subject to allocation by the Treasury Board	3,278 19
	1,147,658 19
Expenditures	1,147,641.59
Lapsed	\$ 16 60

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	769,779 00	794,414 00	794,414 00
B Bonus—Net Requirements (Vote 420)		3,278 19	3,278 19
C Travelling Expenses	15,000 00	8,390 00	8,387 69
D Freight, Express, etc.	18,000 00	15,110 00	15,106 22
E Printing and Stationery	30,000 00	28,945 00	28,941 45
F Equipment, Materials and Supplies	290,000 00	262,625 00	262,624 16
G Allowances	1,080 00	1,105 00	1,101 29
H Sundries	20,521 00	33,791 00	33,788 59
	<u>\$1,144,380 00</u>	<u>\$1,147,658 19</u>	<u>\$1,147,641 59</u>

Comments on Expenditures

In addition to the expenditures in the National Parks and on Historic Sites paid from this vote, other expenditures were paid from Votes 177 and 178. The total park expenditure of these votes is \$1,487,169.25.

The expenditures of Vote 143 by Parks and Services are as follows: Head Office, \$110,545.23; Publicity Bureau, \$35,340.83; Historic Sites, \$24,101.05; Banff Park, \$277,181.74; Buffalo Park, \$118.39; Cape Breton Highlands Parks, \$52,970.85; Elk Island Park, \$37,096.82; Georgian Bay Islands Park, \$2,762.29; Glacier Park, \$7,800.75; Jasper Park, \$211,595.46; Kootenay Park, \$58,888.60; Nemiskani Park, \$997.74; Point Pelee Park, \$10,268; Prince Albert

Park, \$73,627.49; Prince Edward Island Park, \$28,846.05; Revelstoke Park, \$10,232.09; Riding Mountain Park, \$82,876.43; St. Lawrence Islands Park, \$1,930.59; Waterton Lakes Park, \$65,309.99; Yoho Park, \$55,151.20.

A As at March 31, 1942, there were 200 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): G. W. Bryan, \$2,400; J. H. Byrne, \$3,300; C. G. Childe, \$2,700; H. H. Clarke, \$3,600; W. D. Cromarty, \$4,020; S. E. Hand, \$2,400; O. Heaslip, \$2,820 and house; T. S. H. Heaslip, \$2,400; D. L. Hogan, \$3,000; G. J. Horsey, \$3,300 and house; J. L. Horsfall, \$2,400; L. Howard, \$2,400; P. J. Jennings, \$3,120 and house; H. Knight, \$2,460; C. W. Le Capelain, \$2,820 and house; W. F. Lothian, \$2,400; J. D. B. MacFarlane, \$3,060; J. P. McMillan, \$2,820 and house; J. G. Perdue, \$2,520; C. H. E. Powell, \$3,720; G. E. B. Sinclair, \$3,840; J. Smart, \$4,800; J. B. Snape, \$2,700 (Nov. 1.); J. E. Spero, \$4,020; R. J. C. Stead, \$4,620; F. H. H. Williamson, \$5,400 (Sept. 19); J. A. Wood, \$3,300 and house.

Also paid from this allotment were wages at prevailing rates amounting to \$447,179.83.

B Travelling expenses of \$300 and over include, C. H. D. Clarke, \$309.93; W. D. Cromarty, \$336.73; T. S. Heaslip, \$327.33; J. C. Lessard, \$498.31; G. E. B. Sinclair, \$319.68; J. Smart, \$664.95; R. J. Stead, \$1,306.99.

E G The following received payments of \$5,000 or over: J. H. Ashdown Hardware Co. Ltd., hardware, \$6,450.43; Brewster's Garage, repair parts for mechanical transport, \$6,124.69; British American Oil Co. Ltd., gasoline and oil, \$10,401.07; Brunner, Mond Canada Sales, Ltd., road oil, \$28,035.93; Burns Co. Ltd., provisions, \$18,761.47; Canadian National Railways, electric energy, \$17,437.80; Gas and Oil Products, Ltd., road oil, \$24,676.38; Horne and Pitfield, Ltd., provisions, \$6,916.59; Imperial Oil Ltd., gasoline and oil, \$25,348.24; McColl Frontenac Co. Ltd., gasoline and oil, \$12,169.89; McDonald Consolidated, provisions, \$14,495.96; Charles Niedner's Sons, equipment, \$5,735.17; North Star Oil Ltd., gasoline and oil, \$9,804.01; Union Oil Co. of Canada Ltd., gasoline and oil, \$7,632.60; Union Tractor and Harvester Co. Ltd., road machinery, etc., \$6,853.73; Unwin's Ltd., building material, \$5,480.52; Western Grocers Ltd., provisions, \$18,647.86.

F The incumbents of several positions receive free house, fuel and light, or an allowance in lieu thereof. The following received cash allowances: E. K. Eaton, \$600; S. G. James, \$180; H. Knight, \$321.29.

Vote 144 National Parks Bureau—Administration of Migratory Birds Convention Act

Expenditures	48,920 00
Lapsed	\$ 2,673 85

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	38,692 00	38,692 00	38,534 19
B Travelling Expenses	5,000 00	5,000 00	4,460 78
C Freight, Express, etc.	500 00	500 00	474 02
D Printing and Stationery	2,000 00	2,000 00	1,331 79
E Equipment, Materials and Supplies	2,000 00	2,000 00	1,352 53
F Sundries	728 00	728 00	92 84
	\$ 48,920 00	\$ 48,920 00	\$ 46,246 15

Comments on Expenditures

This vote provides for expenses connected with the protection of migratory birds in Canadian Territory pursuant to a treaty signed at Washington on August 16, 1916, and ratified by Parliament in 1917.

A As of March 31, 1942, there were 33 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: C. H. Bennett, \$2,400; J. B. Corcoran, \$2,400; E. J. Ebbs, \$2,400; H. F. Lewis, \$3,000; H. Lloyd, \$4,020; J. A. Munro, \$3,000; J. D. Soper, \$3,000; R. W. Tufts, \$3,000.

B The following were paid travelling expenses of \$300 or over: H. F. Lewis, \$368.49; J. A. Munro, \$934.21; J. D. Soper, \$801.85; R. W. Tufts, \$732.42; sundry, \$1,623.81.

Vote 145 Grant to John Thomas (Jack) Miner\$ 2,500 00

Comments on Expenditures

This grant is to assist Mr. Miner in the work of conservation of wild bird life at his bird sanctuary at Kingsville, Ont.

Mr. Miner also received a payment of \$805 for services as Game Warden, part time, under Vote 144, Administration of Migratory Birds Convention Act.

The Refunds (Natural Resources) Act, Chap. 35, 1932\$ 105 15

Comments on Expenditures

This payment is a refund to the Province of British Columbia of revenue collected prior to the transfer of the natural resources to the western provinces in 1930.

GENERAL

Vote 68 Unforeseen expenses, expenditure thereof to be subject to the Approval of the Treasury Board, and a detailed statement to be laid before Parliament within fifteen days of next Session.

<i>Allotment</i>	\$ 1,116 18
<i>Expenditures</i>	1,116 18

Comments on Expenditures

The expenditure was incurred in connection with ceremonies at St. Lin, P.Q., commemorating the 100th anniversary of the birth of Sir Wilfrid Laurier and was classified as follows: wages, \$31.50; travelling expenses, \$286.82; reception expenses, \$399; sundries, \$398.86.

SURVEYS AND ENGINEERING BRANCH

Vote 146 Branch Administration	21,950 00
Expenditures	21,094 11
Lapsed	\$ 855 89

	Estimates details	Allotments authorized	Expenditures
A Salaries	19,770 00	19,470 00	19,203 40
B Travelling Expenses	600 00	900 00	650 52
C Printing and Stationery	800 00	950 00	890 37
D Sundries	780 00	630 00	349 82
	\$ 21,950 00	\$ 21,950 00	\$ 21,094 11

Comments on Expenditures

A As of March 31, 1942, there were 8 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. M. Wardle, Director, \$7,500; J. A. Pounder, \$4,320.

B Travelling expenses of \$300 and over include: J. M. Wardle, \$522.12.

Vote 147 Dominion Observatory, Ottawa	95,845 00
Expenditures	94,666 49
Lapsed	\$ 1,178 51

	Estimates details	Allotments authorized	Expenditures
A Salaries	85,930 00	85,935 62	85,935 62
B Field Surveys and Travelling	1,900 00	1,894 38	1,371 89
C Supplies and Equipment	7,150 00	7,150 00	6,571 38
D Sundries	865 00	865 00	787 60
	<u>\$ 95,845 00</u>	<u>\$ 95,845 00</u>	<u>\$ 94,666 49</u>

Comments on Expenditures

A As of March 31, 1942, there were 34 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: E. C. Arbogast, \$3,240; R. E. Delury, \$4,620; W. W. Doxsee, \$3,180; J. P. Henderson, \$3,240; E. A. Hodgson, \$3,840; W. W. Jackson, \$3,840; J. H. Labbe, \$2,520; R. G. Madill, \$3,240; W. S. McLenahan, \$3,240; R. J. McDiarmid, \$3,240; D. B. Nugent, \$3,540; W. E. Ross, \$2,700; O. Sills, \$3,000; R. M. Stewart, \$5,220 and house valued at \$600; A. H. Swinburn, \$3,240.

B Travelling expenses of \$300 and over include: R. G. Madill, \$745.53.

C General Radio Co., Cambridge, Mass., for supplying observatory equipment were paid \$2,339.05.

Vote 148 Dominion Astrophysical Observatory, Victoria, B.C.	30,880 00
Expenditures	28,504 25
Lapsed	\$ 2,375 75

	Estimates details	Allotments authorized	Expenditures
A Salaries	26,790 00	23,840 00	21,881 16
B Travelling	300 00	400 00	355 06
C Supplies and Equipment	3,220 00	5,720 00	5,449 97
D Sundries	570 00	920 00	818 06
	<u>\$ 30,880 00</u>	<u>\$ 30,880 00</u>	<u>\$ 28,504 25</u>

Comments on Expenditures

A As of March 31, 1942, there were 8 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): C. S. Beals, \$3,960; A. McKellar, \$2,700 (on loan Nov. 30); J. A. Pearce, \$4,320 and house valued at \$600; R. M. Petrie, \$3,300.

Vote 149 Dominion Water and Power Bureau, including the administration of the Dominion Water Power and Irrigation Acts.	203,150 00
Expenditures	198,841 96
Lapsed	\$ 4,308 04

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	168,055 00	164,955 00	162,330 80
B Field and Travelling Expenses	20,200 00	21,700 00	21,185 64
C Printing and Stationery	7,000 00	8,600 00	8,097 84
D Supplies and Equipment	5,000 00	5,000 00	4,835 97
E Miscellaneous Expenses, including Telephones, Telegrams, Freight, Cartage, etc.	2,895 00	2,895 00	2,391 71
	<u>\$ 203,150 00</u>	<u>\$ 203,150 00</u>	<u>\$ 198,841 96</u>

Comments on Expenditures

The purpose of this vote is to provide for expenses of the Dominion Water Power Bureaux throughout the Dominion including hydrometric measurements, international water flow data, the administration of the Water Power and Irrigation Acts.

The Dominion receives contributions from the Provinces towards the costs of water power investigations. The amounts received during this fiscal year totalling \$30,822 were deposited to Revenues and are referred to in the Revenue Section. They are as follows: Alberta, \$2,000; British Columbia, \$5,000; Nova Scotia, \$3,322; Ontario, \$8,500; Quebec, \$10,000; Saskatchewan, \$2,000.

A As of March 31, 1942, there were 59 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): N. T. Allan, \$3,120; A. M. Beale, \$3,720; J. R. Bissett, \$3,300; J. Cawthorne, \$2,580; K. G. Chisholm, \$3,960; C. G. Cline, \$3,300; M. F. Cochrane, \$3,720; S. G. Dawson, \$3,300; L. G. Denis, \$3,960; P. A. Fetterly, \$2,700; J. P. R. Gauthier, \$2,700; D. B. Gow, \$3,960; J. Hall, \$2,700; O. H. Hoover, \$3,300; G. E. Jones, \$2,700; N. Marr, \$4,920; W. T. McFarlane, \$2,700 (May 1); V. M. Meek, \$5,100; T. M. Patterson, \$3,300; A. Roger, \$2,700; I. R. Strome, \$3,720; C. E. Webb, \$3,960; A. G. Wilkins, \$3,300; A. C. Wimberley, \$2,700; G. H. Wood, \$2,700.

Also included in this allotment are wages of labourers and gauge readers by districts as follows: Maritime District, \$1,249.84; Quebec, \$2,228.68; Ontario, \$6,597.66; Manitoba and Western Ontario District, \$1,664.78; Alberta and Saskatchewan, \$2,265.73; British Columbia, \$4,558.79.

B Travelling expenses of \$300 or over include: R. D. Barnetson, \$723.34; J. R. Bissett, \$1,115.90; J. A. P. Bourgeois, \$811.95; C. Bray, \$878.23; T. H. Burt, \$564.36; C. B. Corbould, \$788.48; P. A. Fetterly, \$663.69; N. I. Foster, \$539.62; O. E. Fournier, \$957.30; H. T. Galbraith, \$489.18 including removal expenses of \$346.51; J. P. R. Gauthier, \$1,422.90; D. B. Gow, \$393.46; V. M. Meek, \$837.89; T. J. Moore, \$714.77; C. E. Webb, \$931.15; A. C. Whitehouse, \$802.68; J. W. H. Wilkes, \$1,306.49; W. H. Yeates, \$1,138.87.

Also included in this allotment are the following: auto supplies and repairs, \$4,022.46; storage, \$796.50; sundries, \$565.54.

D This allotment includes motor cars, \$962.37; gauge supplies, \$1,875.75; scientific equipment etc., \$1,997.85.

Vote 150 Lake of the Woods Control Board 7,685 00

Vote 420 For cost of living bonus subject to allocation by the Treasury Board 190 50

Expenditures 7,875 50
7,566 63

Lapsed \$ 308 93

	Estimates details	Allotments authorized	Expenditure
A Salaries and Wages	6,585 00	6,585 00	6,546 63
B Bonus—Net Requirements (Vote 420)		190 56	190 50
C Field, Travel and Incidental Expenses	1,100 00	1,100 00	829 47
	\$ 7,685 00	\$ 7,875 56	\$ 7,566 63

Comments on Expenditures

A portion of the maintenance expenditure paid from this vote is repaid in accordance with sections 8 and 9 of the agreement in the Manitoba Natural Resources Act, by the Province of Manitoba on a calendar year basis. The amount refunded for the calendar year 1941 is \$6,038.90 and is reported under Casual Revenue, Department of Mines and Resources.

A As of March 31, 1942, there were 3 employees paid from this vote. No employee was receiving an annual salary of \$2,400 or over on that date.

Vote 151 Expenses incurred under the Agreement between the Dominion, Ontario and Manitoba, confirmed by the Lac Seul Conservation Act 1928, moneys expended to be largely reimbursed			18,000 00
Expenditures			17,002 59
Lapsed		\$	997 41

	Estimates details	Allotments authorized	Expenditures
A Payment to Ontario of annual interest and operation charges for the calendar year 1941	16,693 60	16,693 60	16,419 48
B Annual operating costs incurred by the Dominion	1,000 00	1,000 00	583 11
C Miscellaneous and capital contingencies....	306 40	306 40	
	<u>\$ 18,000 00</u>	<u>\$ 18,000 00</u>	<u>\$ 17,002 59</u>

Comments on Expenditures

The greater portion of the above expenditure is to be refunded by the Province of Manitoba in accordance with sections 8 and 9 of the agreement in the Manitoba Natural Resources Act which requires the Province to repay to the Dominion all capital and operating charges in connection with the development of power in the Winnipeg River incurred by reason of the Lac Seul Conservation Act of 1928, Chapter 32. The Province repays on a calendar year basis and the amount refunded for 1941 is \$17,304.74 and is reported under Casual Revenue, Department of Mines and Resources.

Vote 491 Dominion Water and Power Bureau: For acquiring flowage easements and discharging claims of owners of riparian lands in Ontario below the outlets of Lake of the Woods affected by regulations under the Lake of the Woods Control Board Act (Revote)			2,000 00
Expenditures			113 20
Lapsed		\$	1,886 80

Comments on Expenditures

The above expenditure was paid to the Province of Ontario as the Dominion's share of the cost of acquiring easements, etc., and discharging claims of owners of riparian lands.

The Provinces of Ontario and Manitoba in accordance with the November 15, 1922, Agreement regarding the control of the upper waters of the Winnipeg River, and Section 8 of the agreement in the Manitoba Natural Resources Act, will repay to the Dominion the greater portion of the above expenditures less one-third attributable to navigation and borne by the Federal Government.

Vote 492 Dominion Water and Power Bureau: For general expenses of the Committee established under P.C. 682 dated February 17, 1941, to report on the conservation of the waters of the St. Mary and Milk Rivers			500 00
Expenditures			120 74
Lapsed		\$	379 26

Comments on Expenditures

The Committee appointed by Order in Council consisted of three members namely, Mr. Victor Meek, Dominion Water Power Bureau, Department of Mines and Resources, Mr. George Spence, Director of Prairie Farm Rehabilitation, Department of Agriculture and

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Mr. W. E. Hunter, Accounts Branch, Department of Finance. The Order in Council further directed that the expenses of each member be borne by the Department of which he is a member and that general expenses that cannot be properly met by the Departments will be provided for in the votes of the Water Power Bureau.

Travelling expenses of two technical advisors to the Committee were charged to this vote.

Vote 152 Engineering and Construction Service	87,530 00
Expenditures	80,032 96
Lapsed	\$ 7,497 04

	Estimates details	Allotments authorized	Expenditures
A Salaries	80,530 00	80,530 00	74,241 86
B Travelling Expenses	1,500 00	1,500 00	1,130 86
C Printing and Stationery	1,500 00	1,500 00	1,130 00
D Sundries	4,000 00	4,000 00	3,530 24
	\$ 87,530 00	\$ 87,530 00	\$ 80,032 96

Comments on Expenditures

A As of March 31, 1942, there were 33 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): C. H. Buck, \$3,060; C. R. Cornish, \$2,700; J. Dudley, \$2,700 (on loan to Department of National Defence from May 28); K. D. Harris, \$3,120; T. S. Mills, \$5,220; J. H. Mitchell, \$3,300; P. Shaw, \$2,700; W. H. Snelson, \$2,700; N. A. Sparks, \$2,700; R. L. Squire, \$2,940; J. N. Stinson, \$4,020; A. S. Thomas, \$2,700; C. M. Walker, \$4,020.

B Travelling expenses of \$300 and over include T. S. Mills, \$530.61.

Vote 153 Geodetic Service	135,840 00
Expenditures	129,909 21
Lapsed	\$ 5,930 79

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	123,340 00	119,340 00	115,404 61
B Other Expenses of Field Parties	9,050 00	11,050 00	10,602 68
C Travelling Expenses	200 00	200 00	36 20
D Printing and Stationery	1,200 00	3,200 00	2,060 35
E Sundries	2,050 00	2,050 00	1,805 37
	\$ 135,840 00	\$ 135,840 00	\$ 129,909 21

Comments on Expenditures

A As of March 31, 1942, there were 35 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): H. M. Barton, \$3,240; E. W. Berry, \$3,285; J. P. Cordukes, \$3,240; G. F. Dalton, \$3,240; T. C. Dennis, \$3,240; W. M. Dennis, \$3,420; L. O. R. Dozois, \$3,285; D. J. Fraser, \$3,240; G. H. D. Gibson, \$2,520; J. H. Kihl, \$2,700; W. H. MacTavish, \$3,240; G. H. McCallum, \$3,420 (Nov. 1. See also Vote 155); F. A. McDiarmid, \$3,420; D. McMillan, \$2,700; J. W. Menzies, \$3,240; R. H. Montgomery, \$3,720; W. C. Murdie, \$3,240 (on military leave from June 17); C. H. Ney, \$3,240; N. J. Ogilvie, \$5,400; T. H. Parker, \$3,240; G. S. Raley, \$2,700; J. L. Rannie, \$4,020; J. E. Ratz-Ross, \$3,420; F. B. Reid

\$3,420; J. M. Riddell, \$3,240 (on military leave from June 25, noon); K. H. Robb, \$2,700; W. M. Tobey, \$4,320; L. N. Wadlin, \$3,240; C. R. Westland, \$3,240; B. J. Woodruff, \$2,700. Also included in this allotment are wages of field parties, \$9,897.54.

B The expenses of this allotment include travelling and maintenance expenses of Geodetic field parties exclusive of wages.

Vote 154 To recoup the Temiskaming and Northern Ontario Railway Commission in connection with their claim for injury to John Hedin\$ **240 00**

Comments on Expenditures

Pension awarded under the Workmen's Compensation Act to John Hedin for injuries received in October, 1921.

Vote 155 International Boundary Commission **33,400 00**
Expenditures **30,918 91**
Lapsed\$ **2,481 09**

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	27,160 00	26,895 00	25,232 45
B Other Expenses of Field Parties	3,300 00	3,565 00	3,510 49
C Installing Lights on Range Marks at Boundary Bay, B.C.	1,200 00	1,200 00	975 86
D Travelling Expenses	500 00	900 00	591 56
E Stationery	240 00	240 00	72 78
F Sundries	1,000 00	600 00	535 77
	\$ 33,400 00	\$ 33,400 00	\$ 30,918 91

Comments on Expenditures

A As of March 31, 1942, there were 7 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: D. F. Chisholm, \$2,700; H. S. Mussell, \$3,240; G. H. McCallum, \$3,480; J. R. O'Connell, \$3,120; G. T. Prinsep, \$3,240. Also included in this allotment are wages of field parties, \$7,812.17.

B The following expenses are included in this allotment: travelling expenses, G. T. Prinsep, \$399.28, field parties, \$562.89; provisions, \$1,843.44.

D Travelling expenses of \$300 and over include N. J. Ogilvie, \$305.83.

Vote 156 Hydrographic and Map Service: Hydrographic Service.... **350,824 00**
Expenditures **346,721 70**
Lapsed\$ **4,102 30**

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	266,596 00	246,746 00	246,583 62
B Travelling Expenses	6,675 00	7,125 00	7,014 96
C Printing and Stationery	4,520 00	3,720 00	3,694 37
D Supplies	40,261 00	55,561 00	53,147 63
E Repairs	10,815 00	8,865 00	8,591 07
F Charts and Publications	15,925 00	23,275 00	22,406 07
G Sundries	6,032 00	5,532 00	5,283 98
	\$ 350,824 00	\$ 350,824 00	\$ 346,721 70

AUDITOR GENERAL'S REPORT

Comments on Expenditures

The expenses of charting Dominion waters by stations and vessels are as follows: Headquarters Hydrographic Survey, \$151,198.24; Nova Scotia, \$18,780.73; *C. G. L. Henry Hudson*, \$24,161.42; *C. G. S. W. J. Stewart*, \$89,438.29; *C. G. H. Pender*, \$3,112.46; Victoria Warehouse, \$3,552.46; *C. G. L. Boulton*, \$7,766.91; Emergency Surveys, \$135.30; Headquarters Precise Water Levels, \$17,333.44; Gauging Stations, Precise Water Levels, \$11,054.77; Headquarters Tidal Current, \$15,333.52; Gauging Stations Tidal Current, \$4,854.16.

A As of March 31, 1942, there were 114 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. U. Beauchemin, \$3,900; J. Bell, \$2,700; R. W. Bent, \$2,940; J. Brown, \$2,640; G. L. Crichton, \$3,720; L. R. Davies, \$2,940; J. L. Foreman, \$2,940; R. J. Fraser, \$4,620; N. G. Gray, \$2,940; R. E. Hanson, \$2,940; H. W. Jones, \$3,480; H. L. Leadman, \$3,900 (on leave without pay from Jan. 1); R. B. Lee, \$2,580; G. E. Lowe, \$2,940; M. A. MacKinnon, \$2,940; J. J. Moore, \$2,520; H. D. Parizeau, \$4,200; F. H. Peters, \$5,400; C. A. Price, \$3,480; G. A. Silver, \$2,640; F. C. G. Smith, \$3,900; A. Stewardson, \$2,820 (retired July 1); T. M. Tardif, \$2,940; S. R. Titus, \$2,820; W. J. Watts, \$2,640; W. K. Willis, \$3,540; R. B. Young, \$2,940.

Labourers and seamen were paid prevailing rates and received \$71,487.92.

B Travelling expenses of \$300 and over include: J. U. Beauchemin, \$497.86; R. J. Fraser, \$329.19; N. G. Gray, \$385.29; S. Longard, \$469.70; A. S. Matthewman, \$653.16; H. P. Williams, \$348.62.

D This allotment includes, fuel, \$13,021.22; provisions, \$11,280.86; supplies and equipment, \$22,099.63; gasoline, \$2,598.55; sundries, \$4,147.37. From this allotment the following firms received payments of \$5,000 and over: Ontario Hughes-Owens Co., Ltd., \$10,187.78; Vancouver Island Coals, Ltd., \$10,633.52.

E From this allotment Victoria Machinery Co., Ltd., was paid \$2,455.90 for repairs to *C. G. S. W. J. Stewart*.

F Of the total paid from this allotment, \$17,792.01 was paid to the King's Printer and \$2,479.46 to Latimer Ltd., Toronto. Revenue derived from sale of Hydrographic Charts and Publications and included under the revenue heading "Proceeds from Sales" amounted to \$15,660.60.

Vote 157 Hydrographic and Map Service: Legal Surveys and Map Service, including grant of \$350 to assist in printing the publication of the Canadian Institute of Surveying....

	176,430 00
Expenditures	170,096 34
Lapsed	\$ 6,333 66

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	165,030 00	158,760 00	156,698 48
B Travelling Expenses	400 00	100 00	38 65
C Provisions and Equipment	350 00		
D Office Expenses	10,300 00	17,220 00	13,009 21
E Grant, Canadian Institute of Surveying ..	350 00	350 00	350 00
	\$ 176,430 00	\$ 176,430 00	\$ 170,096 34

Comments on Expenditures

Revenue derived from the sale of maps and plans and credited to Dominion Lands Revenue amounted to \$33,985.27 and is referred to under the revenue heading Dominion Lands, Surveys and Water Power.

A As of March 31, 1942, there were 70 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. R. Akins, \$4,020 (Dec. 29); F. M. Allan, \$2,700; H. G. Barber, \$3,720; G. S. J. Bayly, \$3,240; H. J. Bedard, \$2,760; C. W. Besserer, \$2,820; W. A. Birchall, \$3,420; W. A. Blue, \$2,400; J. D. Bradley, \$2,760; E. L. Burkholder, \$2,580; M. G. Cameron, \$3,300; D. E. Chartrand, \$2,820; G. A. Colquhoun, \$2,880; T. M. M. Cunningham, \$2,940; C. B. C. Donnelly, \$2,820; S. H. Gooday, \$2,700; A. O. Gorman, \$3,240; G. L. Kirwan, \$2,580;

A. Metivier, \$2,400; H. A. Murray, \$3,300; T. S. Nash, \$4,320 (Jan. 2); H. Parry, \$3,600; W. J. Peaker, \$3,240; S. W. Probert, \$2,820; W. A. Purdy, \$2,700; C. Rinfret, \$3,420; B. W. Waugh, \$4,020; W. R. White, \$3,480.

D This allotment includes stationery and office supplies, \$6,264.48; photographic supplies, \$1,991.39; sundry supplies and materials, \$3,259.32.

Vote 493 Hydrographic and Map Service—Legal Surveys and Map Service: Dominion contributions towards cost of extending the survey of the boundary between Manitoba and Saskatchewan (Provinces concerned to bear two-thirds of total costs)

1,000 00
Expenditures\$ 1,000 00

Comments on Expenditures

In order to fix by survey certain sections of the boundary line between the Provinces of Manitoba and Saskatchewan, Order in Council 5041 of July 9, 1941, set up the Manitoba-Saskatchewan Boundary Commission appointing thereto—F. H. Peters, Surveyor General of Dominion Lands representing the Dominion, H. E. Beresford, Director of Surveys representing Manitoba and D. A. Smith, Controller of Surveys representing Saskatchewan, the first named to be Chairman. The Dominion was to bear one-third of the cost up to \$1,000.

The total cost was \$4,180.98 apportioned as follows—Dominion of Canada, \$1,000.00, Manitoba, \$1,590.49 and Saskatchewan, \$1,590.49. The expenses are classified, salaries and wages, \$3,038.25; travelling expenses, \$501.93; provisions, \$479.55; sundry, \$161.25.

Vote 158 Board of Examiners, Dominion Land Surveyors, etc. 850 00
Expenditures 814 73

Lapsed\$ 35 27

	Estimates details	Allotments authorized	Expenditures
A Fees of Examiners	630 00	715 00	715 00
B Sundries	220 00	135 00	99 73
	\$ 850 00	\$ 850 00	\$ 814 73

Comments on Expenditures

This vote was provided to pay the fees of the Board of Examiners and to defray the expenses connected with the examination of candidates in accordance with the Dominion Lands Survey Act.

INDIAN AFFAIRS BRANCH

Vote 159 Branch Administration 54,800 00
Expenditures 52,839 00

Lapsed\$ 1,961 00

	Estimates details	Allotments authorized	Expenditures
A Salaries	45,200 00	45,200 00	44,829 66
B Supplies and Materials	3,500 00	3,500 00	3,185 97
C Travelling Expenses	1,000 00	1,000 00	765 90
D Telegrams, Telephones and Postage	1,600 00	1,600 00	1,148 50
E Professional and Special Services	3,000 00	3,000 00	2,607 38
F Miscellaneous	500 00	500 00	301 59
	\$ 54,800 00	\$ 54,800 00	\$ 52,839 00

AUDITOR GENERAL'S REPORT

Comments on Expenditures

A As of March 31, 1942, there were 21 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: H. W. McGill, Director, \$7,500; M. Christianson, \$5,220; H. P. Johnson, \$2,400; T. R. L. MacInnes, \$4,620; A. E. St. Louis, \$3,000.

E Legal fees accounted for \$2,480.83 of this allotment.

Vote 160 Indian Agencies	654,893 00
Expenditures	630,435 46
Lapsed	\$ 24,457.54

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	370,175 00	372,175 00	387,671 55
B Cash Allowances	16,020 00	16,020 00	
C Supplies and Materials	41,020 00	44,020 00	42,671 03
D Travelling Expenses	67,640 00	67,990 00	63,897 40
E Freight, Express, Cartage, etc.	7,845 00	7,845 00	4,053 53
F Telegrams, Telephones, and Postage	15,845 00	15,845 00	13,694 23
G Professional and Special Services	7,335 00	5,335 00	2,012 49
H Meter Rates	5,542 00	5,542 00	5,219 16
I Rents	4,001 00	4,001 00	3,947 38
J Equipment Maintenance	42,390 00	42,390 00	39,562 47
K Repairs to Buildings, Roads, etc.	31,627 00	31,777 00	29,035 68
L Miscellaneous	3,500 00	7,000 00	6,594 08
M Acquisition of Equipment	31,320 00	28,320 00	25,512 13
N Construction of Buildings and Works	10,633 00	6,633 00	6,564 33
	\$ 654,893 00	\$ 654,893 00	\$ 630,435 46

Comments on Expenditures

A As of March 31, 1942, there were 270 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation: W. S. Arneil, \$3,360; P. B. Ashbridge, \$2,940; F. J. C. Ball, \$3,180; A. H. Barber, \$3,000; W. Barolet, \$2,580 less \$1,500 paid from Vote 162; F. X. L. Brisebois, \$2,580; J. G. Burk, \$3,180; J. D. Coldwell, \$2,640; J. Coleman, \$3,600; A. O. Daunt, \$3,000; F. Edwards, \$2,580; W. J. Ferguson, \$2,940; J. Gillet, \$3,120; A. G. Hamilton, \$3,600; J. P. Harvey, \$3,960 less \$3,360 paid from Vote 162; P. W. Head, \$4,020 less \$3,420 paid from Vote 162; R. Howe, \$2,520; D. McKay, \$4,380; E. McPherson, \$2,460; R. H. Moore, \$3,060; G. C. Mortimer, \$2,880; T. F. Murray, \$3,220 less \$1,180 paid from Vote 162; T. J. Orford, \$4,380 less \$3,780 paid from Vote 162; E. Randle, \$3,600; T. F. H. Reed, \$2,980 (Jan. 1); J. H. Riopel, \$3,360 less \$1,560 paid from Vote 162; F. M. Steel, \$3,780; A. Strang, \$2,580; C. P. Schmidt, \$3,600; J. Thibault, \$2,880; H. E. Taylor, \$2,580; M. S. Todd, \$2,580; W. A. M. Truesdell, \$4,140 less \$2,100 paid from Vote 162.

B Cash allowances are added to salaries, the expenditure of A and B being shown under one total under A. In addition to cash allowances paid certain employees, many agents, clerks and farming instructors receive allowances in kind, that is, the Department furnishes house, fuel, light and rations.

C This allotment is classified as follows: stationery and office supplies, \$7,042.34; fuel, \$19,291.26; forage, \$5,279.88; provisions, \$9,090.49; sundry, \$1,967.06.

D The travelling expenses in this allotment are the expenses of all Indian Agents, clerks, inspectors, etc.

J Maintenance costs were paid as follows: Auto supplies and repairs, \$19,931.96; farm equipment, \$7,401.12; floating equipment, \$6,798.64; light, heat and power, \$5,350.96; sundry, \$79.79.

K Building repairs amounted to \$8,589.78; road repairs, etc., \$16,535.83; various materials, \$762.46; labour, \$2,378.26; travelling expenses, \$486.79; sundry, \$282.56.

L Includes purchase of land and buildings at Fort-Alexander, Manitoba, from the Hudson's Bay Co., \$3,500.

M Included in this allotment are the following: farm equipment, \$3,499.57; light, heat and power equipment, \$3,134.72; live stock, \$10,056.40; motor cars, \$5,817.89; small floating equipment, \$1,585.89; sundry, \$1,417.66.

Vote 161 Reserves and Trusts—Administration	40,365 00
Expenditures	32,697 49
Lapsed	\$ 7,667 51

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	33,165 00	33,165 00	27,908 32
B Travelling Expenses	1,500 00	1,500 00	801 42
C Acquisition of Land	1,000 00	1,000 00	433 00
D Rents	700 00	700 00	598 50
E Miscellaneous	1,000 00	1,000 00	615 28
F Surveys	3,000 00	3,000 00	2,340 97
	\$ 40,365 00	\$ 40,365 00	\$ 32,697 49

Comments on Expenditures

This vote provides for the administration of Indian Reserves and the Indian Trust Fund. The balance in the Trust Fund at March 31, 1942, was \$14,642,289.97, an increase of \$226,474.03 over the balance of \$14,415,815.94 at March 31, 1941. Receipts during the year amounted to \$1,409,777.93 and disbursements \$1,183,303.90.

A As of March 31, 1942, there were 14 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: D. J. Allan, \$4,620; J. Bradley, \$3,000; J. C. Caldwell, \$4,020; M. McCrimmon, \$2,760.

B Included in this allotment are the travelling expenses of M. McCrimmon, \$321.10.

F The expenditures in this allotment are as follows: wages, \$484.55; surveyors' fees, \$592.50; travel, \$797.41; sundry, \$466.51.

Reserves and Trusts—Indian Annuities, Indian Act, Sec. 162, c. 98, R.S.

Expenditures	\$ 262,127 00
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Comments on Expenditures

Per capita annuities were paid as follows: 175 chiefs at \$25; 372 headmen at \$15; 47,676 Indians at \$5 and 78 at \$4. Upon being enfranchised 17 Indians received \$100 each in accordance with Sec. 14 of the Indian Act and 72 Indian women received \$50 as commutation of the annuity under Sec. 14. Payment of arrears amounted to \$1,388.

To assist in the payment of the Robinson Treaty annuities, a grant of \$6,800 from this Statutory Vote was made to the Trust Fund. The Province of Ontario repaid the sum of \$22,080 representing Treaty 9 annuities.

Vote 162 Medical—Indian Hospitals and General Care of Indians	1,442,217 00
Expenditures	1,334,588 52
Lapsed	\$ 107,628 48

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	208,127 00	225,627 00	229,137 48
B Cash Allowances	3,720 00	3,720 00	
C Supplies and Materials	141,000 00	141,000 00	137,594 69
D Travelling Expenses	50,000 00	50,000 00	43,367 13
E Freight, Express, Cartage, etc.	4,400 00	4,400 00	3,391 02
F Telegrams, Telephones and Postage	1,750 00	1,750 00	1,748 59
G Professional and Special Services including Hospitalization	998,320 00	925,220 00	839,846 67
H Meter Rates	3,300 00	6,300 00	6,285 82
I Rents	1,500 00	1,500 00	1,388 40
J Equipment Maintenance	5,000 00	9,000 00	8,426 83
K Repairs to Buildings	6,600 00	22,600 00	19,241 25
L Miscellaneous	8,000 00	11,100 00	5,021 56
M Acquisition of Equipment	10,500 00	33,000 00	32,989 08
N Structures and Parts		7,000 00	6,150 00
	<u>\$1,442,217 00</u>	<u>\$1,442,217 00</u>	<u>\$1,334,588 52</u>

Comments on Expenditures

The purpose of this vote is to provide for General Medical Services, including salaries to medical officers and nurses operating departmental hospitals and fees for professional services.

- A** As of March 31, 1942, there were 253 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. R. Atkinson, \$3,900; W. S. Barclay, \$4,440; W. Barolet, \$2,580, less \$1,080 paid from Vote 160; C. Corrigan, \$3,180; W. L. Falconer, \$4,020, special allowance to cover additional expenses and higher cost of living at Ottawa, \$600; A. M. Hamel, \$3,780; P. W. Head, \$3,420 less \$600 paid from Vote 160; J. Jamieson, \$3,120 less \$999.96 paid from Trust Fund; J. P. Harvey, \$3,960 less \$600 paid from Vote 160; J. A. McDonald, \$2,400; P. E. Moore, \$4,620; J. M. Morrow, \$4,080; T. F. Murray, \$3,220 less \$2,040 paid from Vote 160; T. J. Orford, \$4,380 less \$600 paid from Vote 160; J. H. Riopel, \$3,360 less \$1,800 paid from Vote 160; A. B. Simes, \$4,020; R. N. Simpson, \$2,400; W. A. M. Truesdell, \$4,140 less \$2,040 paid from Vote 160; W. N. Turpel, \$3,420 (June 12); J. J. Wall, \$4,620 (Sept. 17).
- B** Cash allowances are added to salaries, the total expenditure being shown as one total under A. A number of employees receive in addition to salary, allowances in kind, that is the Department furnishes house, fuel, light and rations.
- C** Medical supplies amounting to \$40,524.88 were purchased through the Department of Pensions and National Health, \$13,346.79 from the Western Chemical Industries, Ltd., and other sources, \$15,814.89. Other items include clothing, \$1,483.02; fuel, \$12,411.17; provisions, \$48,386.43 and sundry, \$5,627.51.
- D** Transportation of Indians to and from hospitals amounted to \$27,135.47 of which \$8,354.70 was for air travel. Travelling expenses of doctors and nurses amounted to \$16,231.66 including air travel of \$2,327.20. Head office officials, Dr. W. L. Falconer and Dr. P. E. Moore were paid \$113.40 and \$1,128.43 respectively.
- G** The following doctors received fees in excess of \$1,000: M. G. Archibald, Kamloops, B.C., \$2,400; G. L. Bell, Sioux Lookout, Ont., \$1,770; E. D. R. Bissett, Pine Falls, Man., \$1,800; H. A. Boyce, Deseronto, Ont., \$1,805.58; J. P. Cade, Prince Rupert, B.C., \$1,767.50; A. H. Campbell, Prince Albert, Sask., \$2,004.71; G. H. Conroy, Edmonton, Alta., \$3,185.50; G. L. & A. B. Cook, Lloydminster, Sask., \$1,409.46; P. O. Coulombe, Sturgeon Falls, Ont., \$1,500; J. P. Decosse, St. Paul, Alta., \$2,003.17; C. Dumont, Campbellton, N.B., \$1,200; A. C. Duncan, Dawson, Y.T., \$1,100; J. D. Duncan, Leask, Sask., \$1,297.30; H. E. Eckhardt, Shannonville, Ont., \$1,315; S. P. Findlay, Fraser Lake, B.C., \$1,200; W. H. G. Gibbs, Selkirk, Man., \$1,807.75; J. C. Gillie, Fort William, Ont., \$1,319.50; S. Golfman, Punnichy, Sask.,

\$2,000.04; T. C. Holmes, Burn's Lake, B.C., \$1,089.25; W. J. Houghtling, Cold Lake, Alta., \$1,960.25; J. W. Kettleworth, Portage La Prairie, Man., \$1,082.38; J. A. Key, Cardston, Alta., \$2,443; J. F. McCullough, Sudbury, Ont., \$1,388.50; C. H. McGowan, North Bay, Ont., \$1,235; S. H. McLeod, Calgary, Alta., \$1,240; J. E. Nunn, Battleford, Sask., \$1,057; J. Page, St. Benoit, Que., \$1,245.95; J. R. Pare, Duck Lake, Sask., \$1,076.50; J. J. Sheahan, Chapleau, Ont., \$2,100; G. H. Stobie, Belleville, Ont., \$1,357; J. A. Tallon, Cornwall, Ont., \$2,650.08; Trimble & Brandt, The Pas, Man., \$1,118.75; F. Walkin, Ashern, Man., \$1,116.63; E. Willis, Lakefield, Ont., \$1,453; J. B. T. Wood, High Prairie, Alta., \$3,303.

The following hospitals were paid fees in excess of \$5,000: Bella Coola General, B.C., \$7,497; Brantford Sanitorium, Ont., \$5,067.50; Bulkley Valley District, Smithers, B.C., \$7,498; Canadian Red Cross, Ont., \$7,885.25; Central Alberta Sanitorium, Calgary, Alta., \$13,970.56; Church of England, Moose Factory, Ont., \$5,785; Dynevor Indian, St. Peter's, Man., \$23,876.25; Fort William Sanitorium, Ont., \$18,109.75; Lady Minto, Chapleau, Ont., \$6,213; R. W. Large Memorial, Bella Bella, B.C., \$11,083.65; Mountain Sanitorium, Hamilton, Ont., \$5,752.50; Muskoka, Gravenhurst, Ont., \$6,960; Prince Rupert General, B.C., \$5,132; Provincial Mental Hospitals, B.C., \$13,625.25, Manitoba, \$7,341.51, Ontario, \$16,549.72, Saskatchewan, \$9,387; Queen Alexandria Solarium, Victoria, B.C., \$7,650; Roman Catholic Episcopal Corporation of MacKenzie, Fort Resolution, N.W.T., \$7,411.25, Port Simpson, N.W.T., \$10,301; Roman Catholic Mission, Fort George, B.C., \$5,547.50; Royal Inland, Kamloops, B.C., \$6,659.50; St. Anthony's, The Pas, Man., \$10,156.25; St. Bartholomew's, Lytton, B.C., \$5,631; St. Boniface, Man., \$5,135.75; St. George's, Alert Bay, B.C., \$5,768.20; St. Joseph's, Victoria, B.C., \$7,028.75; St. Paul's, Vancouver, B.C., \$17,980.60; Sacred Heart, Caughnawaga, Que., \$12,078; Toronto Hospital for Tuberculosis, Weston, Ont., \$13,099.05; Victoria, London, Ont., \$5,917.75; Whitehorse General, Y.T., \$5,132.40; Wrinch Memorial, Hazelton, B.C., \$20,760.50.

K Under this allotment \$6,614.19 was expended on repairs at the Coqualeetza Indian Hospital and \$6,993.41 at the Fort William Reserve Hospital.

M Hospital equipment amounting to \$16,320.13 was installed in the Coqualeetza Hospital. Equipment for the Fort William Hospital cost \$3,678.01 and \$4,432.09 at Norway House. Sundry equipment purchased for the various hospitals makes up the balance of this allotment.

N This allotment was authorized for the erection of a residence for the Medical Superintendent of Dynevor, Man., Indian Hospital at a cost of \$6,150.

Vote 163 Medical—Grants to Hospitals **4,320 00**

Vote 494 Further amount required **3,580 00**

\$ 7,900 00
Expenditures **\$ 7,900 00**

Comments on Expenditures

Grants of \$1,080 to the following hospitals in the Northwest Territories have been approved by the Governor in Council: Aklavik, C. of E.; Aklavik, R.C.; Fort Norman; Fort Simpson and Fort Smith.

A grant of \$2,500 to St. Joseph's Hospital, Ile a la Crosse was also paid on the understanding that a like amount would be granted by the Province of Saskatchewan.

Vote 164 Welfare and Training—Welfare of Indians **967,374 00**
Expenditures **707,356 83**

Lapsed **\$ 260,017 17**

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	24,100 00	24,100 00	18,705 14
B Supplies and Materials	775,849 00	727,349 00	537,582 30
C Travelling Expenses	5,750 00	5,750 00	4,940 34
D Freight, Express, Cartage, etc.	24,345 00	24,345 00	20,263 58
E Professional and Special Services	200 00	200 00	125 00
F Rents	2,650 00	2,650 00	1,320 70
G Equipment Maintenance	21,670 00	21,670 00	6,461 43
H Repairs to Buildings	24,335 00	24,335 00	16,638 25
I Miscellaneous	29,785 00	34,285 00	30,206 92
J Acquisition of Equipment	29,300 00	29,300 00	17,148 89
K Construction of Buildings and Works.....	29,390 00	29,390 00	15,779 28
L Acquisition of Land		44,000 00	38,185 00
	<u>\$ 967,374 00</u>	<u>\$ 967,374 00</u>	<u>\$ 707,356 83</u>

Comments on Expenditures

A As of March 31, 1942, there were 8 employees paid from this vote. The following were receiving salaries of \$2,400 or over on that date: R. A. Hoey, \$5,220; K. A. M. Moodie, \$2,400; J. E. Morris, \$2,520.

B This allotment is divided as follows: Clothing, general, \$53,629.88; triennial clothing issued to chiefs and headmen in accordance with Treaties, \$6,754.34; forage, \$698.17; fuel, \$14,401.88; hunting and fishing supplies, \$29,754.34; provisions, \$418,666.72; seed, \$11,253.78; stationery and office supplies, \$414.65; sundry, \$2,008.54.

C Included in the travelling expenses are the following: K. Moodie, \$789.80; Indians, \$3,194.56.

I This allotment includes burials, \$11,038.59; care of indigents, \$17,367.21; and sundry, \$1,801.12.

J This allotment is classified as follows: camp equipment, \$2,997.24; farm equipment, \$8,505.02; light, heat and power equipment, \$1,082.31; live stock, \$2,665.45; sundry, \$1,898.87.

L \$27,885 was expended in acquiring land at Escasconi, Cape Breton Island and \$6,300 at Shubenacadie for the purpose of amalgamating all Indian Agencies in Nova Scotia into two agencies. Additional land was acquired as an addition to the Lennox Island Reserve at Prince Edward Island at a cost of \$4,000.

Payments of over \$5,000 from this Vote were made to the following: D. V. Allain, \$6,765.34; J. H. Ashdown Hardware Co. Ltd., \$10,339.67; Atlantic Trading Co. Ltd., \$11,064.32; Canada Packers Ltd., \$9,838.61; W. J. Fraser, \$8,348.32; Hudson's Bay Co., \$88,883.79; Macdonald's Consolidated Ltd., \$15,816.84; Marshall Wells Ltd., \$5,315.58; Province of Nova Scotia, \$15,000.

In addition to the above Vote the Indians were assisted in agricultural and handicraft pursuits from the Indian Act Revolving Fund established June 24, 1938, by an amendment to the Indian Act. Under this amendment the Superintendent General is empowered to make loans to Indian Bands, groups of Indians or individual Indians under regulations established by the Governor in Council. The loans outstanding may at no time exceed \$350,000. Since the inception of the Revolving Fund in 1938 to March 31, 1942, loans amounted to \$55,462.38, interest, \$3,959.71 and repayments, \$36,409.07 leaving a balance outstanding at March 31, 1942, of \$23,013.02.

Vote 165 Welfare and Training—Indian Education	500,616 00
Expenditures	475,338 90
Lapsed	\$ 25,277 10

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	291,326 00	291,326 00	286,189 64
B Supplies and Materials	79,500 00	79,500 00	75,959 13
C Travelling Expenses	11,000 00	11,000 00	10,755 45
D Freight, Express, Cartage, etc.	4,000 00	3,000 00	1,568 22
E Telegrams, Telephones and Postage	200 00	200 00	103 09
F Professional and Special Services	4,200 00	5,200 00	5,020 50
G Meter Rates	2,000 00	2,000 00	990 65
H Rents	5,000 00	5,000 00	4,880 16
I Assistance to Ex-pupils	23,000 00	23,000 00	19,818 96
J Equipment Maintenance	5,000 00	5,000 00	3,738 12
K Repairs to Buildings	44,395 00	44,650 00	43,136 78
L Miscellaneous	2,600 00	2,600 00	2,515 50
M Acquisition of Equipment	22,075 00	22,075 00	16,305 15
N Construction of Buildings and Works	6,320 00	6,065 00	4,357 55
	<u>\$ 500,616 00</u>	<u>\$ 500,616 00</u>	<u>\$ 475,338 90</u>

Comments on Expenditures

- A** As of March 31, 1942, there were 298 employees, chiefly school teachers, paid from this vote. The following were receiving salaries of \$2,400 or over on that date: G. H. Barry, \$2,460; A. J. Doucet, \$2,520; P. N. L. Phelan, \$4,080.
- B** This allotment includes stationery and school supplies, \$39,712.64; fuel for day schools, \$24,421.41; provisions, \$6,235.29; sundry, \$5,589.79.
- C** Included in this allotment are the following travelling expenses: G. H. Barry, \$812.27; A. J. Doucet, \$911.04; Indian school children, etc., \$9,032.14.
- I** Tuition fees, etc., of Indian children attending high schools and colleges were paid from this allotment.
- M** This allotment is made up as follows: educational, \$9,590.46; recreational, \$1,281.68; light, heat and power, \$4,444.61; sundry, \$988.40.

Vote 166 Welfare and Training—Grants to Residential Schools	1,398,944 00
Expenditures	1,393,392 14
Lapsed	\$ 5,551 86

	Estimates details	Allotments authorized	Expenditures
A Wages—Night Watchmen	5,645 00	5,645 00	5,635 00
B Per Capita Grants	1,371,249 00	1,371,249 00	1,371,228 39
C Equipment Maintenance	1,000 00	1,000 00	
D Repairs to Buildings	14,100 00	14,100 00	10,281 96
E Acquisition of Equipment	6,950 00	6,950 00	6,246 79
	<u>\$1,398,944 00</u>	<u>\$1,398,944 00</u>	<u>\$1,393,392 14</u>

Comments on Expenditures

- B** Per capita grants varying from \$150 to \$250 per annum were paid to the following schools operated by various church organizations:
- Nova Scotia: Shubenacadie, \$25,918.40.
- Quebec: Fort George, C. of E., \$8,029.34; Fort George, R.C., \$3,874.
- Ontario: Albany, \$11,261.24; Cecilia Jeffrey, \$23,298.75; Chapleau, \$15,554.99; Fort Frances, \$13,720.68; Fort William, \$14,020.40; Kenora, \$13,720.68; McIntosh, \$17,130.02; Mohawk Institute, \$25,546.80; Moose Fort, \$19,266.97; Mount Elgin, \$20,993.57; Shingwauk, \$19,054.13; Sioux Lookout, \$19,501.55; Spanish, \$39,202.

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Manitoba: Birtle, \$18,451.84; Brandon, \$25,725.36; Cross Lake, \$17,064.40; Elkhorn, \$21,689.40; Fort Alexander, \$16,949.10; Norway House, \$16,996.94; Pine Creek, \$19,370.32; Portage la Prairie, \$15,334.84; Sandy Bay, \$15,191.97.

Saskatchewan: Beauval, \$15,238.47; Cowessess, \$14,527.74; Duck Lake, \$29,055.60; File Hills, \$14,941.92; Gordons, \$18,538.08; Guy, \$21,173.69; Lac La Ronge, \$17,370.40; Muscowequan, \$16,949.06; Onion Lake, C. of E., \$15,103.20; Onion Lake, R.C., \$19,923.76; Qu'Appelle, \$41,508; Round Lake, \$12,106.48; St. Phillips, \$11,299.32; Thunderchild, \$19,578.82.

Alberta: Blood, \$22,598.74; Blue Quills, \$23,244.42; Crowfoot, \$12,106.52; Edmonton, \$19,385.98; Ermineskin, \$25,744.42; Holy Angels, \$7,827.78; Grouard, \$14,933.30; Jossard, \$18,772.24; Morley, \$16,003.20; Old Sun, \$14,317.36; St. Albert, \$25,535.70; St. Cyprian, \$8,071; St. Paul, \$22,598.74; Sacred Heart, \$8,071; Sturgeon Lake, \$13,772.98; Vermilion, \$9,891.58; Wabasca, C. of E., \$6,125.19; Wabasca, R.C., \$16,778.12; Whitefish Lake, \$5,257.66.

British Columbia: Alberni, \$35,673.64; Alert Bay, \$31,051.20; Cariboo, \$20,421.90; Christie, \$18,748.89; Kamloops, \$47,319.08; Kitamaat, \$2,421.30; Kootenay, \$14,924.54; Kuper Island, \$14,120.08; Lejac, \$26,565.08; Port Simpson, \$5,185.07; St. George, \$36,593.55; St. Mary's Mission, \$29,055.60; Sechelt, \$13,282.54; Squamish, \$9,961.88.

Northwest Territories: Aklavik, C. of E., \$8,648.84; Aklavik, R.C., \$3,617.77; Fort Resolution, \$10,250.61; Providence Mission, \$11,490.57.

Yukon: Carcross, \$9,298.34; St. Paul's Hostel, \$6,779.75.

D E The following church-owned schools received grants approved by the Governor in Council for equipment and repairs: Aklavik, C. of E., \$450; Aklavik, R.C., \$746.10; Albany, \$873.04; Cariboo, \$299.37; Christie, \$970.11; Ermineskin, \$979.53; Fort Chipewan, \$310; Fort George, C. of E., \$300; Fort George, R.C., \$730.21; Fort Resolution, \$523.26; Grouard, \$1.20; Jossard, \$57.70; Moose Fort, \$300; Providence, \$838.50; St. Mary's Mission, \$1,075; Spanish, \$805.93; Squamish, \$81.63; Sturgeon Lake, \$5,331.10; Vermilion, \$1.60; Wabasca, C. of E., \$279.70; Wabasca, R.C., \$1,132.82; Whitefish Lake, \$400; Youville, \$41.95.

Vote 167 Welfare and Training—Grants to Agricultural Exhibitions and Indian Fairs, as detailed in the Estimates	6,870 00
Expenditures	5,663 70
Lapsed	\$ 1,206 30

The purpose of this vote is to promote the Indians' interest in agricultural pursuits and handicraft work.

Vote 168 Grants to provide additional services to Indians of British Columbia	100,000 00
Expenditures	99,116 83
Lapsed	\$ 883 17

	Estimates details	Allotments authorized	Expenditures
A Salaries	6,420 00		
B Supplies and Materials	16,820 00		
C Travelling Expenses	3,400 00		
D Professional and Special Services.....	37,055 00		
E Equipment Maintenance	3,660 00		
F Repairs to Buildings	5,450 00		
G Miscellaneous	2,500 00		
H Acquisition of Equipment	3,495 00		
I Construction of Buildings and Works....	21,200 00		
J Medical Services		41,400 00	41,397 23
K Agriculture and Stock Raising		30,000 00	29,993 24
L Irrigation		18,600 00	17,731 33
M Technical Education		10,000 00	9,995 03
	\$ 100,000 00	\$ 100,000 00	\$ 99,116 83

Comments on Expenditures

Treasury Board authorized the change in the Primary Allotments from the form set out in the Estimates details, as in the opinion of the Department, circumstances rendered it desirable that this vote should be administered and controlled by the specific services indicated by the Special Committee of Parliament at the time the vote was first provided.

During the Session of 1926-27 a Special Committee of the Senate and House of Commons dealt with matters pertaining to Indians, more particularly with the policy adopted in the early days of paying annuities to individual Indians. Upon consideration of the changed conditions throughout the country, the Committee found that the need and usefulness of such per capita payments to Indians of British Columbia would be negligible, and recommended that, in lieu of payment to them such as allowed in other provinces, a sum of \$100,000 should be expended annually on technical education, provision of hospitals, and medical attendance, and in the promotion of agriculture, stock-raising, and fruit culture, and in the development of irrigation projects. The recommendation of the Committee was approved by Parliament at the 1926-27 Session.

J As of March 31, 1942, 2 employees were paid from this allotment. Dr. A. L. McQuarrie received \$4,620 and H. E. Gerry, \$1,800. Payment of \$32,163.80 was made to various hospitals for care and maintenance of patients. Travelling expenses amounted to \$2,257.16 payable as follows: H. E. Gerry, \$838.85; A. L. McQuarrie, \$1,343.88; sundry, \$74.43.

K Payment of \$4,919.74 was made to the Province of British Columbia on account of land acquired for certain Indian Bands in Stuart Lake Agency and Bella Coola Agency. \$9,461.15 was expended on seed and the balance on farm equipment and repairs to buildings, etc.

L The expenditures on irrigation projects in the various agencies were as follows: Kamloops, \$4,584.08; Kootenay, \$1,461.05; Lytton, \$1,995.65; Nicola, \$3,027.18; Okanagan, \$1,980.14; Williams Lake, \$795.49; sundry, \$1,887.74. Salary of engineer W. C. Warren, \$2,000.

M Thirteen residential schools received a total of \$5,944.82 for the services of manual training instructors. The balance was expended in the purchase of equipment and educational supplies.

IMMIGRATION BRANCH

Vote 169 Administration of the Immigration Act and the Chinese Immigration Act	164,030 00
Expenditures	156,787 09
Lapsed	\$ 7,242 91

	Estimates details	Allotments authorized	Expenditures
A Salaries	152,630 00	152,630 00	149,954 98
B Printing, Stationery and Office Equipment	6,000 00	6,000 00	4,244 83
C Travelling Expenses	1,500 00	1,500 00	634 00
D Telegrams, Telephones, Postage	3,000 00	3,000 00	1,852 06
E Sundries	900 00	900 00	101 22
	\$ 164,030 00	\$ 164,030 00	\$ 156,787 09

Comments on Expenditures

A As of March 31, 1942, there were 78 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): F. C. Blair, Director, \$7,500; P. T. Baldwin, \$3,240; E. A. Butler, \$2,400; C. M. B. Chapman, \$3,000; M. J. Cullen, \$4,140; W. F. Gray, \$2,940; A. L. Jolliffe, \$6,000; F. A. Morgan, \$3,000; W. H. Morgan, \$3,000; R. N. Munroe, \$4,500; E. A. O'Connor, \$2,400; W. C. Perron, \$2,400; J. Prindiville, \$2,400; M. J. Scobie, \$3,000; A. J. Smith, \$2,400; E. J. Steljes, \$2,520; E. Usher, \$2,400; H. W. Wilson, \$3,480 (May 1. See also Vote 170).

C Included in this allotment is living allowance in lieu of actual expenses for N. Pickering amounting to \$540.

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<i>Vote 170 Field and Inspectional Service—Canada</i>	<i>1,127,515 00</i>
<i>Expenditures</i>	<i>1,044,329 07</i>
<i>Lapsed</i>	<i>\$ 83,185 93</i>

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	974,345 00	974,345 00	944,049 63
B Living Allowances	1,170 00	1,170 00	1,077 07
C Overtime	28,000 00	28,000 00	19,961 15
D Printing, Stationery and Office Equipment	15,000 00	15,000 00	13,714 00
E Travelling Expenses (Officers)	40,000 00	40,000 00	37,182 70
F Travelling Expenses (Deports)	10,000 00	10,000 00	4,874 67
G Uniforms	25,000 00	25,000 00	21,622 76
H Telegrams, Telephones, Postage	14,000 00	14,000 00	11,950 81
I Cost of Investigations by Soldier Settlement	500 00	500 00	37 75
J Provisions re Detentions	1,500 00	1,500 00	* 24,975 41
K Sundries	18,000 00	18,000 00	14,833 94
	<u>\$1,127,515 00</u>	<u>\$1,127,515 00</u>	<u>\$1,044,329 07</u>

* Credit amount.

Comments on Expenditures

- A As of March 31, 1942, there were 490 employees paid from this vote, not including a number of seasonal employees and employees who were paid by shift and not by day or month. The following were receiving annual salaries of \$2,400 or over on that date: O. G. Adams, \$3,000; P. T. Baldwin, \$3,240 (Jan. 1. See also Vote 169); W. J. Bambrick, \$2,400; W. M. Beatty, \$3,000; G. G. Congdon, \$4,140; H. Crump, \$2,400; H. M. Grant, \$3,000; C. G. Greene, \$3,000; N. C. Hebert, \$2,880; A. M. Henderson, \$2,400; H. A. Hunt, \$2,400; J. A. D. Lalonde, \$2,400; J. M. Langlais, \$3,000; J. L. Malcolm, \$3,000; C. H. Maxwell, \$2,760; H. U. McCrum, \$3,240; D. N. McDonell, \$2,520; J. D. McFarlane, \$2,400; L. J. McGinnis, \$2,880; J. R. McNeill, \$2,760; W. W. Robertson, \$2,520; W. B. Rose, \$2,520; C. E. S. Smith, \$4,140; F. A. Smith, \$2,400; F. W. Taylor, \$3,720; G. F. Todd, \$2,520; H. W. Wilson, \$3,600.
- B The following emigration officers, resident in the United States, were paid a living allowance authorized by the Civil Service Commission; salary rate is shown in brackets: Boston, W. E. Bernhardt, \$399 (\$1,920); Seattle, W. F. S. Creery, \$285 (\$2,100); R. E. Fitzgerald, \$285 (\$1,800); D. McNamara, \$108.07 (\$1,800).
- C Overtime was paid to immigration officers in accordance with Section 86 of the Civil Service Regulations approved under Section 16 of the Civil Service Act. Officers entitled to overtime are those in receipt of an annual salary of less than \$2,100.
- E The following immigration officers were paid \$300 or more in travelling expenses and in living allowances in lieu of actual expenses; these expenses do not include railway fares as immigration officers as a general rule travel free:—O. G. Adams, \$486.95; W. F. Beattie, \$474.63; J. D. Beech, \$699.70; W. E. Bernhardt, \$392.48; J. A. Boulais, \$1,130.63; G. J. Charette, \$514; A. G. Christie, \$396.31, included in this amount is \$50 removal expenses; E. N. Christison, \$1,062.10; J. J. Conway, \$669.25; F. C. Crosman, \$702.51; C. W. Desormeau, \$857.57; L. Flower, \$893.77; W. H. Foran, \$1,215.50; W. J. Fraser, \$411.68; A. Graham, \$319.95; A. G. Greene, \$603.61; A. H. Grevatt, \$1,233.16; R. H. Guerin, \$623.86; A. D. Harvey, \$559.90; Thos. Howell, \$1,163.65; G. W. Humphries, \$629.15; A. Jankiewicz, \$745.44; C. G. Kilbreath, \$414.06; B. Lapierre, \$720; J. A. Lemieux, \$617.97; F. McFarlane, \$606.18; W. McFaul, \$321.97; J. D. McIlhargay, \$744.63; J. L. Malcolm, \$510.58; D. M. Morrison, \$1,026.53; N. Pickering, \$720; A. E. Pilkie, \$814.75; E. Roberts, \$860.67; W. W. Robertson, \$978.50; W. B. Rose, \$306.55; H. O. Saylor, \$1,043.39; L. J. Scully, \$426.36; J. B. Sibson, \$418.96; C. E. S. Smith, \$324.92; H. Souillard, \$954.69; G. Todd, \$375.77; F. O. Troy, \$439.09; C. C. Wallace, \$398; H. R. Wilson, \$389.79.
- G The expenditure for uniforms is in accordance with Section 75 of the Immigration Act which directs that uniforms shall be supplied officers and one-third of the cost shall be paid by them. The expenditure shown under this allotment is the two-thirds of the cost of the uniforms.

J To this allotment is charged the cost of catering service and canteen provisions supplied at the following ports; receipts from the sale of meals and from the per diem fee for the care of detained immigrants, etc., credited to this allotment are shown in brackets: Halifax, \$19,104.45 (\$33,858.07); Montreal, \$5,851.64 (\$12,591.76); Winnipeg, \$31.38 (\$30.60); Vancouver, \$5,225.95 (\$8,727.60); Victoria, \$100.83 (\$85.95); sundry ports, \$4.32. The gross expenditure in this allotment is \$30,318.57 and the total receipts are \$55,293.98, resulting in a credit balance of \$24,975.41, as the salaries of cooks, waitresses, etc., are charged to Allotment A.

K Included in this allotment are legal expenses of \$942.80; also a grant of \$1,000 paid to David C. Lamb of the Salvation Army in connection with his visit to Canada inquiring generally into Immigration matters.

Audit Note

Salary was paid to one employee whose employment was not authorized in accordance with the regulations.

Vote 171 Field and Inspectional Service—Abroad	103,630 00
Expenditures	84,476 09
Lapsed	\$ 19,153 91

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	64,630 00	64,630 00	55,605 19
B Living Allowances	6,400 00	6,400 00	3,979 65
C Printing, Stationery and Office Equipment	2,100 00	2,100 00	774 60
D Travelling Expenses	5,000 00	5,000 00	4,520 05
E Rents, Taxes, Rates, Heat, etc.	14,500 00	14,500 00	11,475 01
F Telegrams, Telephones, and Postage	4,000 00	4,000 00	2,194 45
G Sundries	7,000 00	7,000 00	5,927 14
	<u>\$ 103,630 00</u>	<u>\$ 103,630 00</u>	<u>\$ 84,476 09</u>

Comments on Expenditures

The expenditures were charged as follows: Antwerp, \$4,834.70; Gdynia, \$469.83; Paris, \$4,078; Glasgow, \$202.44; London, \$67,374.13; Hong Kong, \$7,516.99.

A As of March 31, 1942, there were 21 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: W. H. Carey, \$2,400; O. Cormier, \$3,120; F. B. Cotsworth, \$3,120; H. R. F. Dalby, \$3,720; E. S. Doughty, \$4,700; E. K. Hales, \$2,700; W. R. Little, \$5,700; J. A. Mitchell, \$3,120; A. N. O'Kelly, \$4,620.

B Employees whilst resident abroad received the following payments which represent living allowances less a 10 per cent deduction effective Oct. 1, 1940, and less exchange adjustments: F. B. Cotsworth, \$433.17; H. R. F. Dalby, \$433.17; E. S. Doughty, \$824.32; W. R. Little, \$1,076.07; J. A. Mitchell, \$433.17; A. N. O'Kelly, \$779.75.

D Included in this allotment are the following travelling expenses: G. C. Congdon, living allowance in lieu of actual expenses, 245 days at \$10 per day, removal expenses to England, \$177.75; O. Cormier, \$1,569.03; W. R. Little, \$234.33; sundries, \$88.94.

E Included in this allotment are payments for office space, electric lights, etc., at Oceanic House, London, to Goddard and Smith, \$7,323.83, and at Sackville House, London, to Sackville Investments, Ltd., \$1,852.79. Also included is the cost of forming new offices, \$4,658.39 less \$4,470 received from the former tenants for assuming the unexpired portion of the lease. The \$4,470 was credited to the vote rather than to Revenue.

G Included in this allotment are the following amounts covering replacement of household goods and personal effects lost or abandoned due to the war. The payments were made as follows under Treasury Board authority in accordance with Order in Council 93/7354, Dec. 14, 1940; O. Cormier, \$750; J. O. Matthews, \$750 less previously paid \$11.18; J. A. Mitchell, \$1,000; A. O. Petersen, \$800 less previously paid \$330.17; M. S. H. Thomas, \$400; J. A. Trudelle, \$120.

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Audit Note

The Commissioner of European Emigration, with headquarters at London, England, may be paid an allowance at the rate of \$2,000 per annum. A decision was made to retire the Commissioner, and on September 28, 1941, he departed from London to return to Canada. He was placed in retiring leave status on November 16th. Attention is directed to the fact that, allowance \$296.61 was paid to this officer in the period September 28 to November 16. In addition, all travel expense claims amounting to \$234.33 were paid in the same period.

<i>Vote 172 Relief of Distressed Canadians—Outside Canada</i>	10,000 00
<i>Expenditures</i>	3,668 97
<i>Lapsed</i>	<u>\$ 6,331 03</u>

Comments on Expenditures

This vote is to provide for the temporary assistance of Canadian born persons who became stranded in countries outside Canada. The expenses consist of ocean and railway transportation back to Canada, temporary meals and lodging and occasionally small amounts in cash maintenance, while awaiting a sailing. As far as possible, the Department endeavours to obtain reimbursement of these expenses from the assisted person or from relatives. Refunds to the vote during the year amounted to \$1,462.28.

PENSIONS AND OTHER BENEFITS

<i>Mrs. Doris Ryckman and children, Appropriation Act No. 6, c. 50, 1936</i>	<u>\$ 690 00</u>
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<i>Vote 175 Mrs. Alice Morson Smith</i>	600 00
<i>Expenditures</i>	<u>\$ 600 00</u>

<i>Vote 176 Mrs. Elizabeth Swinford</i>	600 00
<i>Expenditures</i>	<u>\$ 600 00</u>

SUPERANNUATION AND RETIREMENT BENEFITS

<i>Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.</i>	<u>\$ 5,030 00</u>
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Comments on Expenditures

In accordance with the Civil Service Act two months' salary was paid to the families or estates of deceased employees.

SPECIAL

LANDS, PARKS AND FORESTS BRANCH

<i>Vote 177 National Parks Bureau—National Parks</i>	299,500 00
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<i>Vote 495 Further amount required</i>	30,000 00
<i>Expenditures</i>	<u>329,500 00</u>
<i>Lapsed</i>	<u>\$ 29,250 16</u>

	Allotments authorized	Expenditures
A Banff	178,760 00	167,763 65
B Cape Breton Highlands	36,000 00	34,084 50
C Jasper	76,440 00	65,215 13
D Kootenay	6,300 00	6,221 55
E Waterton Lakes	32,000 00	26,965 01
	<u>\$ 329,500 00</u>	<u>\$ 300,249 84</u>

The amount of the above vote was not subdivided in the Estimates details, the allotments were authorized by Treasury Board.

Comments on Expenditures

The purpose of this vote is to provide for several special projects not included in the Maintenance Vote 143, namely: improvements on the Cabot Trail in Cape Breton Highlands Park; construction of buildings and roads in Jasper Park; additions to the Trans-Canada Highway in the Western Parks and improvements in the water supply at Waterton Lakes Park.

Wages totalling \$60,875 were paid from this vote and were in accordance with wage rates prevailing in the districts.

Contract payments totalling \$108,245 are included in the expenditure and were paid to the following:—Cape Breton Highlands Park: J. P. Porter and Sons Ltd., Montreal, P.Q., highway construction (unit prices) \$5,652; Jasper Park, Dominion Bridge Co. Ltd., Winnipeg, Man. (\$44,200) \$46,153.03 less \$8,500 paid in 1940-41; J. L. Moritz, Edson, Alta., erection Fish Hatchery building (\$7,865) \$631.35; Bituminous treatment of highways, Banff Park, E. R. Taylor Co. Ltd., Vancouver, B.C. (unit prices) \$64,308.62.

Also from this vote the following firms received \$5,000 or over: British American Oil Co. Ltd., \$10,754.54; Dominion Bridge Co. Ltd., Calgary, \$16,020; Imperial Oil Ltd., \$46,701.27; Timber Preservers, Ltd., \$5,806.26.

Travelling expenses of \$300 and over include, R. R. Ross, \$353.13.

Vote 178 National Parks Bureau—Forest Conservation	40,000 00
Expenditures	39,277 82
Lapsed	\$ 722 18

	Allotments authorized	Expenditures
A National Parks	25,100 00	24,417 35
B Dominion Forest Service	14,900 00	14,860 47
	<u>\$ 40,000 00</u>	<u>\$ 39,277 82</u>

The amount of the above vote was not subdivided in the Estimates details, the allotments were authorized by Treasury Board.

Comments on Expenditures

This vote provides for silvicultural operations, for education in fire protection methods and for continuation of work on experimental plots in forest experiment stations and national parks.

The expenditure is classified as follows: salaries and wages, \$8,126.32; travelling expenses, \$1,018.47; fire-fighting equipment, \$6,026.23; office supplies, \$6,537.45; supplies, \$5,730.04; express, freight and telephone, etc., \$1,779.56; fire-fighting payment to Province of Saskatchewan, \$1,820.77; Forest Fire Prevention Essay, \$8,238.98.

The expenses of the Essay contest consisted of: advertising, \$5,344.75 of which Cockfield Brown and Company received \$5,331.75; 572 membership prizes in Canadian Forestry Association, \$1,144 and 130 in L'Association Forestiere, \$130; 84 radio sets, \$1,274.26; travel expenses of winners to broadcasting stations, \$345.97.

AUDITOR GENERAL'S REPORT

SURVEYS AND ENGINEERING BRANCH

<i>Vote 179 Development of Tourist Highways</i>		13,000 00
<i>Expenditures</i>		7,652 47
<i>Lapsed</i>		\$ 5,347 53
	Allotments authorized	Expenditures
A British Columbia	12,500 00	7,366 97
B Expenses of British Columbia-Yukon-Alaska Highway Com- mission (Canada)	500 00	285 50
	\$ 13,000 00	\$ 7,652 47

The amount of the above vote was not subdivided in the Estimates details, the allotments were authorized by the Treasury Board.

Comments on Expenditures

- A The expenditure of \$7,263.07 authorized by Order in Council 5042 of July 9, 1941, consisted of a grant to the Province of British Columbia of 50 per cent of the total expenditure, \$14,526.13, to assist in the completion of the King George VI Highway. Included in this allotment are travelling expenses, \$103.90.

Vote 180 Roads—Improvement to main tourist routes from the International Boundary to Banff, Yoho, Kootenay and Jasper Park (Revote)	11,000 00
Expenditures	10,771 31
Lapsed	\$ 228 69

Comments on Expenditures

The expenditure authorized by Order in Council 4692, June 27, 1941, consisted of a grant to the Province of British Columbia of 50 per cent of the total expenditure, \$21,542.62.

INDIAN AFFAIRS BRANCH

Vote 181 Fur Conservation, and to authorize subject to the approval of the Governor in Council, the appointment of such extra temporary officers, clerks and employees as may be necessary for the purpose of this item	100,000 00
Expenditures	71,055 42
Lapsed	\$ 28,944 58

Comments on Expenditures

The expenditure was distributed as follows:—(1) Alberta, \$12,147.33; (2) Quebec, \$7,239.70; (3) Ontario, \$2,881.72; (4) Manitoba, \$29,147.28; (5) Saskatchewan, \$12,412.82; (6) British Columbia, \$380.80; (7) Head Office, \$6,845.77.

The expenditure of \$71,055.42 includes salaries of \$17,571.07. As of March 31, 1942, there were 9 employees paid from this vote. The following were receiving salaries of \$2,400 or over on that date: H. R. Conn, \$3,000; W. K. Gordon, \$2,700; J. L. Grew, \$3,600.

1. Dam repairs at Murdock Creek, Wood Buffalo Park were carried out under the supervision of the Department of Public Works. The expenditure on this project was \$10,673.58.
2. This includes salary of H. R. Conn, Resident Manager and Supervisor of the Peribonca Beaver and Fur Preserve the area of which has been extended to approximately 12,600 miles under an agreement with the Province of Quebec. Expenses of Mr. Conn include travel, \$1,978.83 of which \$608.40 is for air travel. Payment of \$339.25 was approved for the loss of personal effects of Mr. Conn in a forest fire on June 1, 1941. Wages totalling \$1,095 are also included.

3. Expenditures in Ontario consist chiefly of salaries and travelling expenses.
4. \$13,918.83 was paid to the Province of Manitoba for expenditures incurred in connection with the Fisher Bay-Sturgeon Bay Muskrat Rehabilitation Project. Other expenditures include salaries and wages, \$9,463.17 and travel, \$1,394.18.
5. Expenditures consist chiefly of wages in connection with the Red Earth-Shoal Lake project.
7. Head Office expenditures include the following: salaries, \$5,630.28; travelling expenses, D. J. Allan, \$308.64; M. B. Lockwood, \$465.96, sundry, \$193.15; removal expenses, J. L. Grew, \$752.65 less \$557.20 paid 1940-41; office supplies, \$52.29.

Vote 496 Repairs and Improvements to Government Buildings relating to Indian Medical Field Administration	7,565 00
Expenditures	6,962 95
Lapsed	\$ 602 05

	Allotment authorized	Expenditures
Coqualeetza Residential School—To provide additional funds for repairs and alterations required to convert the school into a hospital for Indian patients	\$ 7,565 00	\$ 6,962 95

Comments on Expenditures

Alterations were carried out under contract awarded to the A. W. Cassidy Co., Vancouver. The contract was awarded at \$62,543 with contingencies at \$6,457. Payment of \$61,534.48 was made in 1940-41 and \$6,889.38 in 1941-42 completing the contract at a total cost of \$68,423.86. Travel and sundry expenses of \$73.57 account for the balance of this expenditure.

WRITE DOWN OF ASSETS

Reduction of Assisted Passage Loans—Empire Settlement Advances, Farmers' Creditors Arrangement Act, c. 53, 1934.....	\$ 96 94
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Comments on Expenditures

This amount is one-half the write off under the Farmers' Creditors Arrangement Act in the loans of those migrants who settled on the land under the 3,000 Family Settlement Scheme and who received assistance in the payment of transportation. The other one-half is the share of the United Kingdom Government.

The Assisted Passage Loan Account was examined and audited in accordance with the various agreements between the United Kingdom and Dominion Governments. The balance outstanding at March 31, 1942, was \$118,000.12.

Seed Grain and Relief Accounts—

An Act respecting certain debts due the Crown, c. 51, 1926-27.....	58,406 84
An Act respecting the transfer of the Natural Resources of Saskatchewan, c. 41, 1930	1 00
	\$ 58,407 84

Comments on Expenditures

The expenditure of \$58,406.84 is the amount written off the Principal outstanding in the Seed Grain and Relief Account, under authority of the Governor in Council. Extended reference has been made to this Account under Comments on Revenues, Public Lands.

The expenditure of \$1.00 represents the amount written off the Principal to offset collections of that amount made by the Province of Saskatchewan and retained by the Province to meet expenses of collection. This is in accordance with Sec. 18 of the Saskatchewan Natural Resources Transfer Act.

DEPARTMENT OF MUNITIONS AND SUPPLY

REVENUES

Summary		1941-42	1940-41
Ordinary Revenue—			
A	Forfeitures		2,037 29
B	Rental of Buildings and Lands	1,065 00	
C	Miscellaneous	89 75	
		<u>\$ 1,154 75</u>	<u>\$ 2,037 29</u>

Certified correct.

B. G. MCINTYRE,
Comptroller of the Treasury.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Special receipts on account of the war are shown in the War Expenditures section of this report.

Details

B Rentals of houses and lands at the Dominion Arsenals at Valcartier, P.Q., and Lindsay, Ont., the administration of which was transferred to this Department from the Department of National Defence on April 1, 1941.

APPROPRIATIONS AND EXPENDITURES

A total of \$277,131,618.86 was allotted to the Department from the War Appropriation, to which was added \$286,964.75 by transfer from the Department of Transport. Expenditures thereunder, amounting to \$277,348,649.13, are shown in the War Expenditures section of this report. In addition, \$12,000, provided by continuing statutes, was also expended.

No. of Vote	Services	Appropriations	Expenditures
Statutory	Salary of Minister, Salaries Act, c. 182, R.S., as amended by c. 7, 1939	10,000 00	10,000 00
Statutory	Motor Car Allowance to Minister, Appropriation Act, No. 5, c. 61, 1931	2,000 00	2,000 00
Total Ordinary Expenditures		<u>\$ 12,000 00</u>	<u>\$ 12,000 00</u>

DEPARTMENT OF NATIONAL DEFENCE

REVENUES

Summary		
	<u>1941-42</u>	<u>1940-41</u>
Ordinary Revenue—		
Militia Pensions Act, 1901.....	288,769 11	303,377 48
Royal Military College	8,000 00	14,599 00
Northwest Territories and Yukon Radio Services	29,946 21	23,999 89
Casual Revenue:		
Army	1,554,621 68	54,232 85
Navy	10,328 64	7,096 57
Air	19,307 14	16,502 82
Fines and Forfeitures	384 00	10 00
	<hr/>	<hr/>
		419,818 61
Less credited in error to Special War Revenues.....		32,598 35
	<hr/>	<hr/>
	\$1,911,356 78	\$ 387,220 26
	<hr/>	<hr/>

The increase in 1941-42 Army casual revenue over the 1940-41 figure, is due to a sale of weapons to the United Kingdom Government in 1940, the charge for which was made in this fiscal year.

Details	
Militia Pensions Act, 1901—	
Contributions: Army, \$184,619.41 Navy, \$21,480.11; Air, \$82,669.59.....	288,769 11
Royal Military College—	
Fees	8,000 00
Northwest Territories and Yukon Radio Services—	
Traffic Revenue	29,946 21
Casual Revenue—	
Army: sale of stores, salvage and government properties, \$1,547,442.83; rents \$6,133.23; refunds of previous years' expenditure, \$693.61; miscellaneous, \$352.01	1,554,621 68
Navy: sale of stores and salvage, \$9,025.92; rents, \$282.27; miscellaneous, \$1,020.45	10,328 64
Air: commission on pay phones, \$16,615.69; refunds of previous years' expenditure, \$2,691.45	19,307 14
Fines and Forfeitures—	
Militia Act	384 00
	<hr/>
	\$1,911,356 78
	<hr/>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

APPROPRIATIONS AND EXPENDITURES

A total of \$366,891.36 was available for expenditure on account of the Department of National Defence, of which \$298,250.42 was provided in the annual appropriation acts and \$68,640.94 was authorized by continuing statutory provisions. Expenditures were \$265,447.59 for the fiscal year 1941-42, an increase of \$19,063.48 over the 1940-41 expenditures of \$246,384.11.

In addition, a total of \$1,033,161,396.14 was allotted to the Department from the War Appropriation. Expenditures thereunder, amounting to \$1,011,185,615.71, are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salaries of Ministers, Salaries Act, c. 182, R.S.	30,000 00	30,000 00	
Statutory	Motor Car Allowances to Ministers, Appropriation Act No. 5, c. 61, 1931	6,000 00	6,000 00	
NORMAL SERVICES				
182}	Cadet Services	218,000 00	151,837 03	66,162 97
428}				
183}				
429}	Grants to Military Associations and Institutes, as detailed in the Estimates	34,225 00	12,350 00	21,875 00
184	Miscellaneous Maintenance and Adjustments—War of 1914-18 (Formerly Adjustment of War Claims)	20,480 00	16,224 01	4,255 99
185	Battlefields Memorials	14,680 00	5,577 89	9,102 11
186}	Book of Remembrance	8,400 00	8,352 30	47 70
430}				
PENSIONS AND OTHER BENEFITS				
	Civil Pensions—			
187	Robert Allen	269 52	269 52	
188	Walter Pettipas	515 90	515 90	
189	Florence Walker	360 00	360 00	
190	Arnold Truman Townsend	420 00	420 00	
191	Michael Mountain	420 00	420 00	
192	Mrs. Alice Smuck	480 00	480 00	
Statutory	Annuity to the widow of the late Hon. Norman McLeod Rogers, c. 47, 1940	2,499 96	2,499 96	
Statutory	Aid to Civil Power—Militia Act. c. 1932, R.S.	5,701 57	5,701 57	
Statutory	Refunds of Previous Year's Re- venue—Consolidated Revenue and Audit Act, c. 27, 1931	22,759 41	22,759 41	
SUPERANNUATION AND RETIREMENT BENEFITS				
Statutory	Gratuities to families of deceased employees—Civil Service Act, c. 22, R.S.	1,680 00	1,680 00	
Totals		\$ 366,891 36	\$ 265,447 59	\$ 101,443 77

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Salaries of Ministers, Salaries Act, c. 182, R.S......\$ 30,000 00

Motor Car Allowances to Ministers, Appropriation Act No. 5, c. 61, 1931...\$ 6,000 00

The Hon. J. L. Ralston, Minister of National Defence, the Hon. A. L. Macdonald, Minister of National Defence for Naval Services, and the Hon. C. G. Power, Minister of National Defence for Air, were each paid salaries of \$10,000 and motor car allowances of \$2,000.

NORMAL SERVICES

Votes 182 } and 428 } *Cadet Services* 218,000 00
Expenditures 151,837 03
Lapsed\$ 66,162 97

	Estimates details	Allotments authorized	Expenditures
Stenographers	2,820 00		3,010 56
Wages	600 00		435 50
A Total Salaries and Wages	3,420 00	3,495 00	3,446 06
B Pay and Allowances, all ranks	80,700 00	80,700 00	62,629 37
C Other Allowances	64,000 00	64,000 00	60,862 10
D Transport and Travel	26,650 00	26,650 00	13,600 38
E Stores and Equipment	26,500 00	26,500 00	8,931 38
F Sundries	16,730 00	16,655 00	2,367 74
	<u>\$ 218,000 00</u>	<u>\$ 218,000 00</u>	<u>\$ 151,837 03</u>

Comments on Expenditures

Expenditures charged to these votes are in connection with school cadet corps, and include the cost of cadet instructors' courses. The lapse of \$66,162.97 is partly due to program commitments which were carried into the 1942-43 fiscal year.

B The pay and allowances of cadet officers and physical training instructors.

C These consist of cadet corps instructors' allowances, \$54,682.60, and signallers' gratuities and bonuses, \$6,179.50. Cadet corp instructors' allowances were at the rate of \$1 per annum for each enrolled senior cadet present at the annual inspection.

D The travelling expenses of inspecting officers make up the main part of this item.

E Includes \$5,390.62 for food at cadet camps.

F Consists chiefly of freight, express and cartage, printing and stationery, telephones, telegrams and postage.

Votes 183 } and 429 } *Grants to Military Associations and Institutes* 34,225 00
Expenditures 12,350 00
Lapsed\$ 21,875 00

	Estimates details	Allotments authorized	Expenditures
Rifle Associations:			
Dominion of Canada	7,500 00	7,500 00	7,500 00
University and Local	2,000 00	2,000 00	
Ontario	2,700 00	2,700 00	2,700 00
Quebec	800 00	800 00	
Nova Scotia	500 00	500 00	

	Estimates details	Allotments authorized	Expenditures
Rifle Associations:—<i>Conc.</i>			
New Brunswick	400 00	400 00	
Prince Edward Island	300 00	300 00	
Manitoba	500 00	500 00	
British Columbia	500 00	500 00	
Alberta	400 00	400 00	
Saskatchewan	400 00	400 00	
Service Associations:			
Cavalry	1,500 00	1,500 00	
Artillery	4,000 00	4,000 00	
Engineers	1,000 00	1,000 00	
Signals	1,500 00	1,500 00	
Infantry, Machine Guns and Tank	3,000 00	3,000 00	
Army Service Corps	1,000 00	1,000 00	
Army Medical Corps	1,000 00	1,000 00	
Military Associations and Institutes:			
Canadian, Toronto	2,000 00	2,000 00	1,000 00
Royal Military College Club of Canada	200 00	200 00	100 00
Western, Winnipeg	250 00	250 00	250 00
Alberta, Calgary	250 00	250 00	250 00
United Services, Vancouver	250 00	250 00	
United Services, Regina	250 00	250 00	
United Services, Saskatoon	150 00	150 00	
Nova Scotia, Halifax	250 00	250 00	250 00
United Services, Vancouver Island, Victoria	150 00	150 00	150 00
United Services, Ottawa	250 00	250 00	
United Services, Quebec	250 00	250 00	
United Services, Moose Jaw	150 00	150 00	
United Services, New Brunswick, Saint John	125 00	125 00	
Military Institute, London	150 00	150 00	150 00
Military Institute, Edmonton	100 00	100 00	
Military Institute, Kingston	100 00	100 00	
Military Institute, Charlottetown	100 00	100 00	
United Services, Montreal	250 00	250 00	
	<u>\$ 34,225 00</u>	<u>\$ 34,225 00</u>	<u>\$ 12,350 00</u>

Comments on Expenditures

These grants were for the purpose of encouraging rifle shooting, assisting rifle associations in defraying expenses of annual prize meetings and assisting military associations.

The comparatively large lapse of funds voted results chiefly from some associations not rendering claims in time for payment within the fiscal year.

Vote 184	Miscellaneous Maintenance and Adjustments—War of 1914-18	20,480 00
	Expenditures	16,224 01
	Lapsed	\$ 4,255 99

	Estimates details	Allotments authorized	Expenditures
A Temporary Assistance	4,978 00	5,133 00	5,127 52
B Purchase and Erection of Headstones in			
Canada	13,500 00	13,279 00	9,816 82
C Sundries	2,002 00	2,068 00	1,279 67
	<u>\$ 20,480 00</u>	<u>\$ 20,480 00</u>	<u>\$ 16,224 01</u>

Comments on Expenditures

This grant (formerly Adjustment of War Claims) was provided to meet certain expenses arising from the War of 1914-1918, including headstones on graves in Canada of ex-members of His Majesty's Forces, war medals and decorations, and expenses of the Military Museum Board.

A This consists mainly of Military Museum Board salaries and a portion of the salary of Col. H. C. Osborne, Secretary of the Canadian Battlefields Memorials Commission (see Battlefields Memorials, Vote 185).

C Includes war medals and decorations, \$601.74, and stores and equipment, \$517.81.

Vote 185 Battlefields Memorials	14,680 00
Expenditures	5,577 89
Lapsed	\$ 9,102 11

	Estimates details	Allotments authorized	Expenditures
Temporary Assistance	2,200 00		2,199 96
Wages	2,000 00		
Total Salaries and Wages	4,200 00	4,200 00	2,199 96
Pay and Allowances	6,480 00	6,480 00	3,225 00
Operating Expenses of Properties	1,500 00	1,500 00	
Repairs and Upkeep of Buildings and Works	1,500 00	1,500 00	
Sundries	1,000 00	1,000 00	152 93
	\$ 14,680 00	\$ 14,680 00	\$ 5,577 89

Comments on Expenditures

The grant for Battlefields Memorials was provided to meet expenses in connection with the Canadian battlefields memorials in France and Belgium. A large part of the grant lapsed at the fiscal year end, as shown above, expenses being almost entirely for the remuneration of administrative officials.

Col. H. C. Osborne, Secretary of the Canadian Battlefields Memorials Commission, was paid a salary of \$1,500 from this Vote and \$1,500 from Vote 184. In addition, he was paid \$2,400 in connection with the Imperial War Graves Commission, which was charged to the United Kingdom Government. A. L. Watson, Secretarial Assistant, was paid \$699.96 from this Vote and \$3,600 which was charged to the United Kingdom Government in connection with the Imperial War Graves Commission.

The item, Pay and Allowances, was provided for Major D. C. U. Simson, R.C.E., Supervisor of Memorials, but his full pay and allowances were not charged to this Vote. The amount of \$3,225 shown above represents only his assigned pay.

Votes 186 } and 430 } Book of Remembrance	8,400 00
Expenditures	8,352 30
Lapsed	\$ 47 70

Comments on Expenditures

Remuneration of the artist in charge of the work and his assistants, amounted to \$7,921.43. Alan Beddoe, artist in charge, received \$3,600.

PENSIONS AND OTHER BENEFITS

Votes 187 to 192 Civil Pensions	2,465 42
Expenditures	\$ 2,465 42

AUDITOR GENERAL'S REPORT

Vote	Pensioner	Appropriations	Expenditures
187	Robert Allen	269 52	269 52
188	Walter Pettipas	515 90	515 90
189	Florence Walker	360 00	360 00
190	Arnold Truman Townsend	420 00	420 00
191	Michael Mountain	420 00	420 00
192	Mrs. Alice Smuck	480 00	480 00
		<u>\$ 2,465 42</u>	<u>\$ 2,465 42</u>

Annuity to the widow of the late Hon. Norman McLeod Rogers, c. 47,
1940 \$ 2,499 96

Aid to Civil Power—Militia Act, c. 132, R.S. \$ 5,701 57

Comments on Expenditures

This expenditure was authorized from the Consolidated Fund by P.C. 51/6961 of August 6, 1942, and represents the cost of calling out troops to assist the civil authorities. The Department of Justice advised that the Dominion has no valid claim against the Province in the matter.

Refunds of Previous Year's Revenue \$22,759 41

Comments on Expenditures

The above refund effects the transfer to a suspense account of Militia Pensions Act contributions by Royal Air Force personnel on loan to Canada, which were credited in error to Militia Pensions Act revenue in 1940-41.

SUPERANNUATION AND RETIREMENT BENEFITS

Gratuities to families of deceased employees—Civil Service Act, c. 22, R.S. . . \$ 1,680 00

DEPARTMENT OF NATIONAL REVENUE

The Department is administered by the Minister of National Revenue and consists of three Divisions, namely, "Customs", "Excise" and "Income Tax", over each of which a Commissioner presides.

The Customs Division is charged with the administration of the Customs Act, c. 42, R.S. (as amended), the collection of duties in accordance with the Customs Tariff Act, c. 44, R.S. (as amended), and the supervision or control of goods, the importation or exportation of which is regulated, restricted or prohibited.

The Excise Division is charged with the administration of the Excise Act, c. 52, 1934 (as amended), and parts of the Special War Revenue Act, c. 179, R.S. (as amended), and the collection of duties and taxes imposed thereunder.

The Income Tax Division is charged with the administration of the Income War Tax Act, c. 97, R.S. (as amended), the Excess Profits Tax Act, c. 32, 1940, (as amended), and the Dominion Succession Duty Act, c. 14, 1941, and the collection of the taxes imposed thereunder. Under agreements (extant prior to March 15, 1942) with the Governments of the respective provinces and the Yukon Territory, the Commissioner of Income Tax administered, in so far as income taxes were concerned, the following Acts and Ordinance: the "Income and Personal Property Taxation Act of Prince Edward Island", the "Income Tax Act of Quebec", the "Income Tax Act of Ontario", the "Income Tax Act of Manitoba" and the "Income Tax Ordinance of the Yukon Territory"; he was also charged with the control, management and collection of income taxes and the relative penalties, etc., imposed thereunder. Moneys received on behalf of the respective Governments were paid over to them at designated periods, and the costs of collection contributable by them were fixed by mutual agreement each year. Under the terms of the Dominion-Provincial Taxation Agreement Act, c. 13, 1942, which came into force on March 15, 1942, the Governor in Council is authorized to enter into agreements with the Governments of the Provinces of Canada respecting the vacation by the provinces of the personal income and corporation tax fields for the duration of the war.

REVENUES

Summary

	<u>1941-42</u>	<u>1940-41</u>
Ordinary Revenue:—		
Customs and Excise Divisions:		
Customs Import Duties	142,392,232 57	130,757,010 70
Excise Duties	110,090,940 35	88,607,558 90
Excise Taxes	453,425,105 53	284,167,031 50
Miscellaneous Revenue	414,637 76	422,412 47
		<hr/>
		503,954,013 57
Fines and Forfeitures	98,441 96	*4,124 35
	<hr/>	<hr/>
	706,421,358 17	508,078,889 22
Income Tax Division:		
Income Taxes	510,243,016 49	248,143,021 61
Excess Profits Tax	135,168,344 91	23,995,268 63
Succession Duties	6,956,574 19	
Miscellaneous Revenue	124,323 03	183,112 16
Fines and Forfeitures	547 50	685 50
	<hr/>	<hr/>
	652,492,806 12	272,322,087 90
	<hr/>	<hr/>
Total	\$1,358,914,164 29	\$776,271,977 12

* The sum of \$4,124.35 is the amount by which expenditures in respect of "fines and forfeitures" exceeded the revenue from this source.

AUDITOR GENERAL'S REPORT

The increase of \$552,642,187.17 in the revenues for 1941-42 is accounted for chiefly by a general increase in collections, by increases in the rates of tax applicable, and by imposition of the Dominion taxes on gasoline, amusements, soft drinks and transportation, and Dominion succession duties.

Details

Customs and Excise Divisions

A(1)	Customs Import Duties	161,939,187 78	
(2)	Less drawbacks, \$16,402,838.78, and refunds, \$3,144,116.43	19,546,955 21	142,392,232 57
B(1)	Excise Duties: Spirits (including validation fees, \$416,575.72), \$21,018,242.48; beer, \$414,018.60; malt, \$25,241,291.31; malt syrup, \$102,729.84; cigars, \$597,487.79; cigarettes, \$54,245,843.83; tobacco, manufactured, \$9,860,724.58, Canadian raw leaf, \$345,899.30; licences, \$39,336	111,865,573 73	
(2)	Less, drawbacks, \$1,217,472.87, and refunds, \$557,160.51..	1,774,633 38	110,090,940 35
C(1)	Excise Taxes: Amusement tax (including tax on pari-mutuel bets, \$1,081,808.01), \$8,792,168.90; embossed cheques, \$339,881.20; revenue stamps—including (i) stamp duties on cheques, bills of exchange, promissory notes, receipts to banks, money orders, travellers' cheques, and (ii) stock transfer tax, \$4,552,988.88; sales tax, \$246,553,265.80; special import tax, \$860,812.21; transmission tax, \$2,145,308.44; transportation tax, \$5,986,020.55; war exchange tax, \$100,873,982.24; manufacturers' taxes, automobiles, \$13,677,502.73, cameras, \$163,078.99, carbonic acid gas, \$302,281.20, cigars, \$333,391.07, cigarette papers and tubes, \$3,947,766.35, electrical and gas appliances, \$8,469,911, gasoline, \$24,752,396.02, lighters, \$194,647.95, matches, \$2,571,511.33, phonographs, radios and tubes, \$2,361,036.89, playing cards, \$377,014.66, rubber tires and tubes, \$3,064,672.84, slot machines, \$33,914.72, soft drinks, \$6,246,618.25, sugar, \$22,009,038.87, toilet preparations and soaps, \$3,539,327.86; wines, \$1,444,915.48; interest, \$99,718.84; licences, \$72,184.50; miscellaneous, \$29,468.44.....	463,794,826 21	
(2)	Less, drawbacks, \$4,852,224.09, and refunds, \$5,517,496 59	10,369,720 68	453,425,105 53
D	Miscellaneous Revenue Collections: Advance in 1940-41, in respect of removal expenses, from London, England, to Ottawa, of Investigator of Values R. A. Burdett, accounted for, \$1,390.86; bonded factory and warehouse fees, \$114,944.50; brokers' licences, \$7,930; cartage, \$22,840.79; copies of manifests, entries and invoices, \$5,602.07; export permits, \$6,163.57; extra or overtime services, \$177,543.80; landing certificates, \$3,326.50; law stamps, \$5,582.65; rentals of buildings, \$5,619.74; repayments of, salaries and living allowances of certain officers stationed in the United States, \$22,726.74, and salaries of officers temporarily attached to the Foreign Exchange Control Board, \$13,830; storage charges, \$24,074.28; sundry, \$3,062.26		414,637 76
E	Fines and Forfeitures: Customs seizures, \$175,826.20; excise seizures, \$82,694.39	258,520 59	
	Disbursements	160,078 63	98,441 96
			706,421,358 17

Income Tax Division

F(1) Income Taxes: Individuals, \$189,501,795.15; corporations, \$185,835,699.20; non-resident tax, \$26,642,105.82; rentals and royalties tax, \$1,626,669.12; national defence tax, \$106,636,747.20	510,243,016 49
(2) Excess Profits Tax	135,168,344 91
(3) Succession Duties	6,956,574 19
(4) Miscellaneous Revenue Collections: Costs of collection recovered in respect of Provincial Income Taxes, \$118,782.49; law costs, \$3,034.01; refunds of previous year's expenditure, Advertising Agencies of Canada (War Finance Advertising Group), \$426.19, Canadian Bankers' Association, \$2,053.29, sundry, \$1.94; sale of waste paper, \$25.11	124,323 03
(5) Fines and Forfeitures	547 50
	<u>652,492,806 12</u>
	<u>\$1,358,914,164 29</u>

Certified correct, as to:—

Customs Division,

H. D. SCULLY,
Commissioner.

Excise Division,

D. SIM,
Commissioner.

Income Tax Division,

C. F. ELLIOTT,
Commissioner.

In accordance with the provision of Section 45 (1) of the Consolidated Revenue and Audit Act, I have, subject to the appended audit note, satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

NOTE:—The refunds shown in the foregoing statement do not include duties and taxes which have been remitted during the year, under Section 33 of the Consolidated Revenue and Audit Act, c. 27, 1931, and under Section 3 of The War Measures Act, c. 206, R.S., to which reference is made below.

Comments

A(1) C(1) As a guarantee of payment of duties and taxes (which it was found inexpedient to collect at time of importation) and of sales and excise taxes (payable by licencees) securities are deposited with the Department, who, in turn, place them with the Department of Finance for safekeeping. At March 31, 1942, the securities so deposited were \$1,090,500 for customs purposes and \$2,211,000 for excise purposes.

A(2) Drawbacks and Refunds, \$19,546,955.21. These consist of home consumption drawback claims, \$2,807,403.61, export drawback claims, \$13,595,435.17, and other refunds of customs duties, \$3,144,116.43.

B(2) C(2) Drawbacks and Refunds—Excise duties, \$1,774,633.38 and excise taxes, \$10,369,720.68. The excise duty drawbacks related chiefly to spirits sold and delivered to universities or scientific and research laboratories for scientific purposes, only, or to *bona fide* public hospitals for medicinal purposes, only. The excise tax drawbacks related chiefly to materials, both domestic and imported, used in the manufacture of goods exported.

(1) The sum of \$463,794,826.21 was apportioned as follows: domestic, \$327,346,137.98; importations, \$136,448,688.23.

(2) B(2) C(2) The following refunds and remissions were authorized under the provisions of Section 33 of the Consolidated Revenue and Audit Act and Section 3 of the War Measures Act:

(i) Refunds of \$92,889.30, which are included in the foregoing \$3,144,116.43, \$1,774,633.38 and \$10,369,720.68;

- (ii) Remissions of \$3,863,747.64, including \$3,830,908.08 for customs duties, excise duties and excise taxes, and \$32,839.56 for penalties, interest, Exchequer Court costs, etc. Of the \$3,830,908.08 for customs duties, etc., \$2,233,637.19 was remitted to the Sugar Administrator, being a reduction of 75c. (per 100 lbs.) in the rate of duty ordinarily payable on certain importations of raw sugar, and \$923,420.01 and \$441,122.09 were remitted to the Department of Munitions and Supply and the Shell Oil Co. of Canada, respectively, with respect to munitions and oil imported in replacement of equivalent quantities of similar goods shipped to the United Kingdom.

Those who were granted refunds and/or remissions of \$1,000, or more, and the sums refunded and/or remitted in each case, are as follows:—

	Refunds	Remissions
Associated Screen News, Ltd.	\$ 2,943 54	\$ 23,073 54
Ayerst, McKenna and Harrison	1,472 76	5,974 51
British American Ambulance Corps Committee		15,693 59
Butler, Duncan	1,220 61	
Canada Cycle and Motor Co., Ltd.	2,034 20	
Canadian Cannery Ltd.		6,315 04
Canadian Cod Liver Oil Co., Ltd.		9,658 82
Canadian Power Boat Co., Ltd.		3,055 96
Canadian Red Cross Society		13,712 50
Carpenter, W. R., Co., Ltd.	7,420 25	10,680 81
Collet Frères Ltée.	5,995 66	
Dominion Bridge Co., Ltd.		1,540 88
Dominion Textile Co., Ltd.		4,727 04
Dominion Vinegar Co.		1,668 80
Dyson's, Ltd.	1,787 19	6,100 89
Gauvin, Alphonse, Enrg.	1,059 66	
General Films, Ltd.	605,41	9,057 16
Grimsby Food Products, Ltd.		2,279 47
Halifax, Municipality of the County of	1,912 49	
Harrison Co.		3,476 52
Hebrew Communities in Canada		39,271 30
Heinz, H. J., Co. of Canada, Ltd.		2,656 68
Hind, F. J., Pharmaceutical Service Ltd.		1,265 08
Hudson's Bay Co.		1,625 07
Imperial Oil Ltd.		2,781 51
International Harvester Co. of Canada, Ltd.	30,716 67	
Lealand Co., Ltd.		6,912 07
Libby, McNeill & Libby of Canada Ltd.		1,647 00
Maple Leaf Milling Co., Ltd.	11,081 61	
Marine Sales & Service Ltd.		2,750 06
Matthews-Wells Co., Ltd.		2,068 20
McCready's Ltd.		1,149 75
McKinley & Sons		1,361 40
McLaren's Ltd.		1,347 31
Medusa Products Co. of Canada, Ltd.	1,024 90	1,533 90
Munitions and Supply, Department of		923,420 01
National Defence, Department of		12,619 08
Novik, Ottar		3,875 00
Ottawa Car & Aircraft Ltd.		4,277 34
Parmenter & Bulloch Co., Ltd.		1,478 32
Pickfair Hat Co.		1,316 61
Pony Brand Essence & Syrup Co., Ltd.	2,664 79	
Quaker Oats Co.	1,015 91	
Raymore Foods, Ltd.		1,683 43

	Refunds	Remissions
St. Lawrence Starch Co., Ltd.	1,543 60	
St. Michael's Hospital (Toronto)	1,692 12	
Sheldon Press		2,499 95
Shell Oil Co. of Canada, Ltd.		441,122 09
Sorg Paper Co.	6,743 70	3,419 20
Sugar Administrator (appointed under the War Measures Act)		2,233,637 19
Toronto Convention and Tourist Association Inc.	5,722 33	
Vancouver Exhibition Association		1,616 66
Vetcraft Factories		5,482 79
Welch Grape Juice Co.		7,980 22
Wool Combing Corp. of Canada, Ltd.		5,117 18

In addition to the foregoing, there was also authorized the refund and/or remission of customs duties and excise taxes on materials and plant equipment, etc., imported, or purchased in Canada, for the fulfilment of war orders and contracts, of the United Kingdom or Allied Governments, including the British Dominions (except Canada), and for certain other activities associated with the war.

D Bonded factory and warehouse fees are assessed for services of port officers assigned to duties of a supervisory nature in bonded factories and warehouses.

Brokers' licences. Regulations issued under the provisions of Section 129(5) of the Customs Act provide for a graduated scale of fees to be paid annually by persons licenced to transact business as customs-house brokers.

*Cartage. Under an arrangement at the port of Montreal only, cartage on goods removed from examining warehouses is paid in the first instance by the Department and is recovered later from the firms concerned. The sum recovered at this port during 1941-42 was \$19,482.65.

Export permits. The collections of \$6,163.57 are for the period April 1 to May 5, 1941. By Order in Council P.C. 2448, of April 8, 1941, provision was made for the establishment (effective May 5, 1941) of a new export Permit Branch in the Department of Trade and Commerce and for the transfer thereto of the existing personnel of the Export Licence Branch of the Department of National Revenue.

*Extra or overtime services were performed by departmental officers, on Sundays, holidays and outside of regular working hours, and were paid for by the persons served.

Law stamps. All fees payable under the provisions of Section 80 of the Exchequer Court Act, c. 34, R.S., and Section 107 of the Supreme Court Act, c. 35, R.S., are settled by means of law stamps of which the issuance and sale is regulated by the Minister of National Revenue.

Rentals of buildings are received from port officers who occupy residential quarters in government-owned buildings, operated by the Department.

Storage charges are assessed against goods warehoused for examination and not cleared within the prescribed period.

E The revenue of \$258,520.59 reported under this heading was derived mainly as a result of seizures under the provisions of the Customs Act and the Excise Act. The disbursements of \$160,078.63 were made under authority of regulations promulgated under the said Acts, and were in respect of (i) expenses incidental to the making of the seizures and for moiety payments paid to the seizing officers and informers, and (ii) repayments of deposits, in whole or in part, to persons accused of violations of the Customs and Excise Acts.

F(1)(2)(3) The following refunds have been deducted from the gross receipts, leaving the net sums set opposite the sources indicated: income taxes—individuals, \$183,799.56; corporations, \$72,935.82; non-resident tax, \$59,321.39; rentals and royalties tax, \$21,847.59; national defence tax, \$274,177.63; excess profits tax, \$39,331.82; succession duties, \$17,084.55.

* These items were treated as revenue, rather than as "refunds of expenditures", because votes of sufficient amount were provided to meet the relative expenditures.

In addition to the foregoing refunds, taxes exigible under the Income and/or Excess Profits Tax laws were remitted by authority of the Governor in Council under the provisions of Section 33 of the Consolidated Revenue and Audit Act and Section 3 of the War Measures Act, as follows:

- (i) excess profits tax on dividends received by two Canadian companies from their English subsidiaries;
- (ii) income tax on rentals paid by two Canadian companies to United States corporations for the use of tank cars leased for operation in Canada;
- (iii) penalties levied in certain cases for late filing of income tax returns;
- (iv) income and excess profits tax on the income of the English Thread Company Limited, being a company incorporated in the United Kingdom and licenced to do business in the Province of Quebec which income may be earned in Canada due to the transfer to the Montreal branch of the said company of export business formerly conducted from the Manchester office of the said company or the said company and the English Sewing Cotton Company Limited; and
- (v) excess profits tax on a deemed-to-be dividend passing from Granby Elastic Web Limited to the Granby Elastic Web of Canada Limited on the winding up of the old company on February 29, 1940.

F(3) The Dominion Succession Duty Act came into force on June 14, 1941, and applies to the estates of all persons dying on or after that date.

F(4) *Repayments for services performed by the Income Tax Division, regarding the administration and collection of taxes under the respective provincial Income Tax Acts and the Income Tax Ordinance of the Yukon Territory, were received from the governments of Quebec (\$34,705.31), Ontario (\$80,000), Manitoba (\$3,750) and Yukon (\$327.18).

General—As at March 31, 1942, there were in operation 151 Ports of Customs and Excise and under the survey of these ports, 177 Outposts, 62 Preventive Stations and 73 Postal Collecting Stations. At the undermentioned ports of the Dominion the cost of operation exceeded the revenues collected in the fiscal year:—

	Revenues	Expenditures
McAdam, N.B.	\$ 12,850 09	\$ 28,526 24
Pigeon River, Ont.	5,257 95	5,955 91

Audit Note

C(1) The Excise Taxes derived from (i) the sale of postage stamps used on cheques, bills of exchange, promissory notes, receipts to banks, money orders and travellers' cheques, and (ii) stamp duties on Post Office money orders, postal notes, letters and post cards, are not included among the "Excise Taxes" shown in the foregoing statement of revenues, but instead are treated and reported by the Post Office Department as "Postal Revenues".

APPROPRIATIONS AND EXPENDITURES

A total of \$13,809,573 was available for expenditures on account of the Department of National Revenue, of which \$13,786,503 was provided in the annual appropriation acts and \$23,070 was authorized by continuing statutory provisions. Expenditures were \$13,427,996.38 for the fiscal year 1941-42, an increase of \$1,199,129.95 over those of \$12,228,866.43 in 1940-41.

In addition a total of \$3,905 was allotted to the Department from the War Appropriation and expenditures thereunder are shown in the War Appropriation section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salary of Minister, Salaries Act, c. 182, R.S.	10,000 00	10,000 00	
Statutory	Motor Car Allowance to Minister, Appropriation Act No. 5, c. 61, 1931	2,000 00	2,000 00	
		12,000 00	12,000 00	

* These items were treated as revenue, rather than as "refunds of expenditures", because votes of sufficient amount were provided to meet the relative expenditures.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
CUSTOMS AND EXCISE DIVISIONS				
193} 497}	General Administration	1,001,485 00	974,183 39	27,301 61
194	Customs Excise Chemical Labora- tory	41,995 00	38,445 74	3,549 26
195} 498}	Inspection, Investigation and Audit Services	1,296,630 00	1,135,130 58	161,499 42
196	Preventive Service Undervaluation Unit	63,315 00	56,365 84	6,949 16
197	Ports, Outports and Preventive Sta- tions, including pay for overtime of officers, notwithstanding any- thing in the Civil Service Act, and temporary buildings and rentals..	7,462,960 00 9,866,385 00	7,359,642 82 9,563,768 37	103,317 18 302,616 63
INCOME TAX DIVISION				
198} 499}	General Administration, including authority to create positions and make appointments within the Division, notwithstanding any- thing contained in the Civil Ser- vice Act, and the said positions and staff so appointed are hereby wholly excluded from the opera- tion of the said Act	491,290 00	464,030 68	27,259 32
199} 500}	Internal Inspection and Verifica- tion	191,020 00	161,909 46	29,110 54
200} 431} 501}	District Offices	3,222,808 00 3,905,118 00	3,214,049 27 3,839,989 41	8,758 73 65,128 59
GENERAL				
201	Amount to be paid to the Depart- ment of Justice to be disbursed by and accounted for to it for Customs Excise and Income Tax Secret Investigation Services	15,000 00	1,168 60	13,831 40
SUPERANNUATION, RETIREMENT, AND OTHER BENEFITS				
Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.	11,070 00	11,070 00	
		<u>\$13,809,573 00</u>	<u>\$13,427,996 38</u>	<u>\$ 381,576 62</u>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

AUDITOR GENERAL'S REPORT

Salary of Minister, Salaries Act, c. 182, R.S. \$ 10,000 00

Comment

Minister of National Revenue, Hon. C. W. G. Gibson.

Motor Car Allowance to Minister, Appropriation Act No. 5, c. 61, 1931.. \$ 2,000 00

CUSTOMS AND EXCISE DIVISIONS

*Vote 193 General Administration, \$991,785 less \$2,300 transferred to
Department of Trade and Commerce 989,485 00*

Vote 497 Further amount required 12,000 00

*Expenditures 1,001,485 00
974,183 39*

Lapsed \$ 27,301 61

	Estimates details	Allotments authorized	Expenditures
A Permanent Salaries	921,660 00	866,160 00	850,879 39
B Temporary Assistance	27,000 00	80,000 00	76,768 80
C Printing and Stationery	27,700 00	27,700 00	24,105 53
D Travelling Expenses	12,000 00	12,000 00	9,478 00
E Telegrams and Telephones	10,000 00	10,000 00	8,175 36
F Guarantee Fund	625 00	625 00	410 50
G Sundries	2,500 00	5,000 00	4,365 81
	<u>\$1,001,485 00</u>	<u>\$1,001,485 00</u>	<u>\$ 974,183 39</u>

Comments

A B As of March 31, 1942, there were 470 employees paid from these allotments. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation or transfer (shown in brackets):—

	Salary rates		Salary rates
Scully, H. D., Commr. of Customs.	\$9,000 00	Bryenton, L. C.	2,400 00
Sim, D., Commr. of Excise.....	9,000 00	Buckingham, C. O.	3,000 00
Jackson, L. F., Asst. Commr. of Customs	5,880 00	Bunker, G. N. (May 16, see also Vote 195)	3,720 00
Nauman, V. C., Asst. Commr. of Excise	5,880 00	Callbeck, C. H.	3,720 00
Allen, L. E.	4,500 00	Carrier, R. R. A.	2,400 00
Allen, W. R.	2,400 00	Carruthers, O. V.	3,240 00
Anderson, W. F. C.	3,000 00	Cauley, F. L.	2,400 00
Armstrong, W. D.	4,500 00	Clifford, F.	2,400 00
Aust, G. E.	2,640 00	Cohen, J.	2,760 00
Beach, W. H.	2,400 00	Corrigall, H. W.	2,400 00
Bell, J.	2,400 00	Cosh, R. F.	2,760 00
Blake, F. H.	3,720 00	Crossan, T. G.	2,760 00
Blakely, H. M.	2,400 00	Cuthbert, T. H.	2,400 00
Bradley, F. M.	2,400 00	Darwin, N. J.	2,400 00
Bradley, J. C.	2,760 00	Davidson, G. A.	2,400 00
Brodeur, P. E. S.	4,080 00	Davis, W. O.	4,080 00
Brown, A. W. (on loan to Depart- ment of Munitions and Supply from Oct. 1)	4,440 00	Deachman, J. S.	3,240 00
		Doyle, T. V.	3,360 00
		Driscoll, J. O.	2,400 00
		Ellement, A. A.	2,520 00

	Salary rates		Salary rates
Ellis, H. H.	4,140 00	O'Connor, E.	2,520 00
Errett, P. A.	3,240 00	Ogg, H. J.	2,400 00
Fairbairn, R.	4,440 00	O'Reilly, C. A.	2,760 00
Falkner, T. S.	3,000 00	Palmer, F. D.	2,760 00
Fellows, H. G.	2,400 00	Petrie, E.	3,420 00
Finner, F. J.	2,640 00	Pilon, J. V.	2,760 00
FitzGerald, R. R.	4,080 00	Powers, N. D.	2,400 00
Furlong, C. J.	2,640 00	Prentiss, G. H.	2,640 00
Gaboury, J. E.	4,140 00	Rankin, J. S.	3,780 00
Gilchrist, C. T.	3,240 00	Reid, G. A.	3,720 00
Glass, G. H.	2,880 00	Rheaume, M. H.	2,400 00
Green, F. I.	2,400 00	Roberts, D. H. B.	2,400 00
Guibord, J. R.	2,400 00	Robertson, F. W. (Oct. 1)	2,760 00
Gunby, C. E.	4,080 00	Robins, E. H.	2,400 00
Haggins, E. M. (Nov. 15)	3,120 00	Roe, J. S.	4,200 00
Haw, W. C.	3,420 00	Rombough, C. C.	2,760 00
Hector, J. H.	3,000 00	Roy, J. E.	3,000 00
Henry, W. J.	3,240 00	Ruel, A.	2,400 00
Hicklin, W. L.	3,600 00	Russell, T. A.	3,480 00
Hind, A. R.	2,760 00	Sharkey, N.	3,480 00
Holmes, L. W.	3,720 00	Sims, F. R.	4,380 00
Hooper, G. E.	3,480 00	Smith, R. C.	3,300 00
Hooper, J. A. V.	3,480 00	Smyth, P. L. (Oct. 11)	3,420 00
Howard, H. A.	3,000 00	Stinson, W. W.	2,760 00
Jean, G. F.	2,400 00	Strutt, A. F.	2,400 00
Jones, W.	2,400 00	Stuart, W. B.	4,500 00
Kealey, H. J.	2,400 00	Sucee, M. J.	2,400 00
Kenney, A. S.	3,120 00	Sullivan, H.	2,400 00
Kerr, E.	2,400 00	Taylor, L. H.	4,080 00
Kincaid, J. F.	2,400 00	Telford, J. F.	2,760 00
King, G. C. M.	2,400 00	Timleck, H. B.	2,400 00
Lambe, H. (May 6)	2,640 00	Tory, F. T.	3,420 00
Lee, H. R.	2,760 00	Treadwell, J. M.	2,880 00
MacMillan, A. F.	4,140 00	Tuck, W. E.	2,400 00
MacNeil, W. J.	3,120 00	Turcotte, L. M.	2,400 00
Magee, J. D.	2,400 00	Urquhart, G. B.	4,500 00
Mann, O. M.	3,000 00	Warren, L. D.	4,500 00
Martin, J. A.	2,760 00	Welsh, W. J.	2,400 00
May, E. F.	2,760 00	White, J. A. A.	2,400 00
McGill, D. W. (on military leave from Aug. 9)	2,760 00	White, L. A.	2,760 00
McNeil, J. H. K.	2,400 00	Williams, A. H. C. (Nov. 25)	4,920 00
Mills, T. H.	2,760 00	Wilson, J. G.	2,400 00
Montpetit, L. H.	2,400 00	Wood, C. E.	4,500 00
Morphy, C. R.	2,400 00	Wood, D. S. (on loan to Depart- ment of Munitions and Supply from Feb. 1)	2,880 00
Mossop, G. V.	2,400 00	Wormington, F. E.	2,760 00
Mullin, C. J.	2,400 00	Young, P. L.	4,920 00
Munroe, H. R.	3,900 00	Younger, L. R.	4,440 00
O'Brien, C. F.	2,400 00		

A The salary of officer G. H. Glass, which is among the charges to this allotment, is recoverable from the Foreign Exchange Control Board to which organization officer Glass is attached temporarily; the sum recovered during 1941-42, \$2,840, is included under the heading "Miscellaneous Revenue Collections" in the statement on a previous page giving the "Details" of "Revenues" of the Department.

B Distributed as follows: Printing, \$6,130.25, and stationery, \$17,975.28 (including \$3,470.45 for the acquisition, inspection and repair of, typewriters, adding, calculating and copying machines, etc.).

In consequence of the transfer to the Department of Trade and Commerce, effective May 5, 1941, of the duties of the Export Licence Branch (whose requirements were provided for in the estimates of the Department of National Revenue) \$2,300 was transferred from this allotment to the Department of Trade and Commerce by direction of the Treasury Board.

- D** Payments of \$300 or over were made to the following: Hon. C. W. G. Gibson, \$1,700; L. E. Allen, \$781.02; J. E. Gaboury, \$1,219.10 (\$948.16 paid from seizure revenue); W. C. Haw, \$440.85; G. E. Hooper, \$354.78 (\$100.61 paid from seizure revenue); A. W. Merriam, \$391.31; J. S. Rankin, \$1,081.85; E. A. Warnock, \$678.44; P. L. Young, \$509.83.
- F** As at March 31, 1942, 79 officers were bonded for amounts ranging from \$1,000 to \$5,000, under the Government Officers Guarantee Fund. No claims were made on the fund during the fiscal year in respect of any of these officers.

Audit Note

- B** Certificates covering the temporary employment of two employees expired on March 31, 1941. The employees concerned continued to be employed and were paid salaries in the fiscal year under review, although the extension of employment was not authorized by the Civil Service Commission.

Vote 194 Customs Excise Chemical Laboratory	41,995 00
Expenditures	38,445 74
Lapsed	\$ 3,549 26

	Estimates details	Allotments authorized	Expenditures
A Permanent Salaries	36,435 00	34,210 00	32,747 57
B Temporary Assistance	1,860 00	4,085 00	3,865 95
C Printing and Stationery	500 00	500 00	496 83
D Travelling Expenses	200 00	200 00	163 04
E Laboratory Equipment and Supplies	2,750 00	2,750 00	1,038 56
F Sundries	250 00	250 00	133 79
	\$ 41,995 00	\$ 41,995 00	\$ 38,445 74

Comments

This vote was provided to meet salaries (including cost of living bonuses) and other expenses incident to the analytical examination of samples of imported goods and of certain goods of domestic production.

- A B** As of March 31, 1942, there were 15 employees paid from these allotments. The following were the rates paid to officers receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. I. Dore, \$2,700; R. W. Hoff, \$3,420; J. Hossack, \$3,300; D. T. Mather, \$2,700; R. Paradis, \$2,700; A. Tingle, \$4,020 (Jan. 30); C. E. Watson, \$3,420; W. W. Watson, \$2,700.

Vote 195 Inspection, Investigation and Audit Services	1,134,530 00
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Vote 498 Further amount required	162,100 00
Expenditures	1,296,630 00
Lapsed	\$ 161,499 42

	Estimates details	Allotments authorized	Expenditures
A Permanent Salaries	897,850 00	897,850 00	850,879 87
B Temporary Assistance	179,000 00	179,000 00	120,864 86
C Living Allowances	8,280 00	8,280 00	5,330 98
D Printing and Stationery	12,500 00	14,500 00	14,280 27
E Travelling Expenses	185,000 00	183,000 00	131,824 25
F Telegrams and Telephones	3,200 00	3,500 00	3,363 79
G Guarantee Fund	3,300 00	3,300 00	2,756 52
H Sundries	7,500 00	7,200 00	5,830 04
	<u>\$1,296,630 00</u>	<u>\$1,296,630 00</u>	<u>\$1,135,130 58</u>

Comments

These votes were provided to meet salaries (including cost of living bonuses) and other expenses incident to the inspection of Customs and Excise offices and licenced excise establishments (including special investigations and inquiries in connection therewith), the investigation of values of imported goods, the investigation of drawback claims and the auditing of books and records of commercial and industrial concerns for sales and excise tax purposes.

A B E As of March 31, 1942, there were 300 permanent and 105 temporary employees paid from these allotments. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation or transfer (shown in brackets) and were paid travelling expenses of the amounts shown:—

	Salary rates	Travelling expenses		Salary rates	Travelling expenses
INSPECTION SERVICE			Quebec:		
Headquarters, Ottawa:			Beaulieu, H. H. A...	3,720 00	803 55
Bordeleau, J. C. A.,			Fitzpatrick, W. P. ..	2,760 00	720 47
Chief Inspector			Belleville:		
(May 15)	\$5,040 00		Wilson, H. R.	3,720 00	1,429 09
Bunker, G. N., Chief			Hamilton:		
Inspector	4,440 00	\$1,167 71	Dickinson, M. R. ...	3,720 00	915 16
Dayboll, E.	2,640 00	14 35	Ratz, F. W.	2,760 00	868 25
Graham, G.	4,080 00	1,035 79	London:		
Harris, C. H.	2,760 00	1,279 12	Collop, C.	3,360 00	870 80
Lafontaine, C. E. ...	3,720 00	614 66	Peterborough:		
McFee, A. C.			Glover, T. H.	3,720 00	1,175 69
(Feb. 24)	4,800 00	334 69	Moore, W. M.	2,760 00	1,076 06
McNally, E.	4,500 00	661 04	Sault Ste. Marie:		
Ogilvie, S. G.	2,400 00	119 55	Levie, F. E.	2,760 00	982 50
St. Pierre, E.	3,360 00	998 50	Woods, A. H.	3,720 00	1,040 47
Smith, W. B.	3,720 00		Toronto:		
Yeo, S. D.	3,720 00	137 85	Graham, A. L.	3,720 00	377 11
Halifax:			Jacques, W. A.	3,000 00	1,692 73
Eaton, R. L.	2,760 00	533 21	Lindsay, G. B.	2,760 00	1,375 71
Pope, R. H.	3,720 00	429 12	Lynch, J. F. R.	2,880 00	1,039 75
Charlottetown:			Wackett, E.	3,360 00	908 74
Casey, F. J.	3,720 00	1,129 66	Winnipeg:		
Saint John:			Brown, W. J.	3,720 00	817 22
Ross, F. L.	2,760 00	612 58	Regina:		
Thornton, R. W.	3,720 00	991 90	Hindson, R. A.	2,760 00	1,019 60
Montreal:			Calgary:		
Boulais, P. E.	3,720 00	954 32	Legg, H.	3,720 00	1,071 11
Conway, W. T.	2,760 00	861 02	Patterson, F. D.	2,760 00	510 86
Lavallee, J. A.	2,760 00	914 64			

	Salary rates	Travelling expenses		Salary rates	Travelling expenses
Vancouver:			Buck, A. J.	2,640 00	874 27
Burns, F. M.	3,720 00	1,016 80	Grandy, E. F.	2,760 00	113 97
Norris, G. E.	2,760 00	652 81	Kent, J. H.	2,760 00	72 00
INVESTIGATION OF VALUES			MacDonald, R. C. ..	2,880 00	940 95
Headquarters, Ottawa:			Munson, W. E.	2,760 00	63 20
Allan, A. H. (Nov. 4)	3,000 00		O'Donohue, A. T. ...	2,760 00	31 30
Boyd, J. H. (Depart- ment of Munitions and Supply, Dec. 31)	2,400 00	48 98	Paul, W. G.	3,960 00	968 95
Burdett, R. A.	3,240 00	*1,949 21	Watt, H. C.	2,760 00	63 90
Donnen, J. E.	3,240 00	648 69	Wooster, W. T.	2,760 00	156 79
Fell, J. M.	3,000 00		Windsor:		
Funston, H. F. W. ..	4,360 00	402 49	Bennett, W. R.	2,760 00	248 80
Jones, S.	4,360 00		Clapper, D. W.	2,760 00	105 85
Lang R.	2,400 00		Lindsay, N. C.	2,760 00	84 05
Mahaffy, J. D. C. ...	3,000 00		Mason, A. T. (Feb. 5)	3,360 00	499 40
Merriam, A. W.	4,000 00		Menzies, M. J.	2,760 00	36 70
Rankin, J. F.	2,400 00		Patterson, A. J.	2,880 00	36 00
Roy, P. M.	3,240 00	5 31	Putman, G. J.	2,520 00	225 10
Vancouver:			Sutherland, H. D. F.	2,760 00	28 65
Mouat, T. W. (Nov. 4)	4,260 00	163 68	Winnipeg:		
INVESTIGATION OF DRAWBACK CLAIMS			Allen, E. V.	3,360 00	633 75
Halifax:			Parsons, D. S. G.	2,880 00	440 58
Dunlop, J.	2,880 00	1,043 65	Vancouver:		
Wallis, C. W.	2,400 00	1,452 68	Duffy, P. B.	2,640 00	937 72
Saint John:			Lavell, F. M.	3,360 00	728 78
Stroud, F. L.	2,760 00	434 17	Salt, A. C.	2,760 00	155 69
Montreal:			Williamson, E. P. ..	2,760 00	1,769 90
Ault, R. R.	2,880 00	199 65	AUDIT SERVICE		
Gauvin, L. J.	2,760 00	1,280 89	Headquarters		
Power, G. E.	2,520 00	226 69	Ottawa:		
Reid, W. T.	3,360 00	146 07	Bishop, R. A., Chief		
Sabourin, J. F.	2,760 00	330 66	Excise Tax Auditor	5,040 00	1,048 93
Hamilton:			Charlesworth, F.	3,240 00	
Breckin, W.	2,760 00	587 51	Duffy, L. F.	3,000 00	
Ingram, W. C.	2,760 00	464 51	Dunsmore, C. C.	3,240 00	1,645 05
McQueen, W. F.	2,640 00	324 69	Finlayson, F.	3,720 00	177 70
Moore, D. G.	2,640 00	620 94	Furlong, M. J.	4,080 00	
Tennant, T. W.	3,000 00	355 04	Holtby, E. G.	3,720 00	2,566 55
London:			Jones, G. W.	3,720 00	
Ferguson, J.	2,760 00	785 25	McGill, R. V.	3,000 00	
Stone, T. W.	3,360 00	318 57	Meagher, N. J.	3,720 00	604 33
Stoneham, F. A.	2,760 00	1,343 06	Ross, B.	3,240 00	
Oshawa:			Eastern Division		
Findlay, A. T.	3,360 00	620 51	Amherst:		
Richardson, E. G. W.	2,760 00	318 21	Leahey, F. M.	3,000 00	2,665 85
Toronto:			Halifax:		
Benson, M. S.	3,360 00		Forster, A. G. (Sept. 7)	3,000 00	
Boag, E. C.	2,760 00	978 06	Grant, H. C.	2,400 00	759 66
			Saint John:		
			Stephenson, J. R. ...	3,000 00	1,522 64

* See Comment "E".

	Salary rates	Travelling expenses		Salary rates	Travelling expenses
Montreal:					
Allcorn, F. H.	2,400 00	20 00	Vinet, J. G.	3,000 00	174 87
Altimas, F. J. (Un- employment Insur- ance Commission, Apr. 18)	3,000 00	4 00	Williams, W. A.	2,400 00	32 00
Beaudoin, J. E.	3,240 00	1,431 03	Young, D. A.	3,000 00	64 71
Birkett, N. M.	3,000 00	99 91	Quebec:		
Brodeur, M. E. A. ..	3,000 00	68 00	Cloutier, J. E. B.	2,400 00	139 22
Bye, S. J.	2,400 00	20 00	Dupras, P.	2,880 00	592 51
Cassidy, R. J.	2,880 00	83 48	Good, L. G. (Apr. 18)	2,400 00	
Chabot, F. A.	3,000 00	114 15	Labad, H. A.	3,000 00	129 24
Champion, T. C. V. ..	3,720 00	381 66	Lasnier, J. L. P.	2,400 00	1,199 59
Choquette, G.	2,400 00	231 49	Letarte, J. O.	2,400 00	221 96
Cypihot, A.	3,000 00	76 00	Letarte, L. P.	2,400 00	151 13
Daigneau, E. A.	2,880 00	67 21	Martineau, O. E. J. ..	3,240 00	74 05
Doucet, A. J.	3,000 00	864 06	Parent, G. L.	2,640 00	446 50
Doughty, F. A. (June 28)	3,600 00	78 20	Renaud, P. A.	3,000 00	227 92
East, J. H.	4,140 00	494 36	Sherbrooke:		
Fickett, D.	3,360 00	465 31	Blais, V.	3,000 00	743 60
Fontaine, L. J. B.	3,000 00	73 33	Hébert, J. H. R.	2,400 00	234 21
Frappier, A. P.	3,000 00	79 41	Lauzon, J. A. E.	3,000 00	810 39
Fullerton, A. F.	2,880 00	64 21	Three Rivers:		
Garceau, J. A.	3,000 00	707 37	Carpentier, R.	2,400 00	10 00
Guay, J. T. M. (Un- employment Insur- ance Commission, Apr. 18)	3,000 00	4 00	Perron, E. A.	3,000 00	874 65
Guilfoyle, E. A.	3,000 00	64 58	<i>Central Division</i>		
Hall, L. H. (Oct. 21)	2,520 00	6 00	Belleville:		
Harris, D. J. W.	3,240 00	220 27	Christie, G. W.	2,880 00	529 81
Henderson, R. A.	3,000 00	48 00	Welch, E. S.	2,400 00	142 45
Henry, W. S.	2,640 00	8 00	White, M. B.	2,400 00	285 86
Hudson, L. A. C.	3,000 00	72 00	Hamilton:		
Ingram, J. S.	2,640 00	70 00	Bricker, H.	2,400 00	317 20
Kelly, P. S.	3,000 00	54 00	Ditner, L. B.	2,400 00	214 10
Kivenko, N. M.	2,400 00	24 68	Gairn, A. B.	4,140 00	710 58
Lagacé, M.	3,000 00	599 54	Learne, L. D.	2,400 00	180 20
Lymburner, C. E.	3,240 00	154 20	Raymond, E. H.	3,000 00	264 81
MacDiarmid, H.	2,880 00	60 00	Robbins, J. S.	3,000 00	228 57
MacIntyre, R. A.	2,400 00	13 46	Robinson, P.	3,000 00	271 20
Mann, E. S.	3,000 00		Todd, A. H.	2,400 00	302 22
McCann, J. J.	3,000 00	81 45	Walsh, W. C.	2,400 00	83 00
McEntee, W. J. S.	2,400 00	87 81	Kitchener:		
McPhee, N. M.	2,400 00	20 00	Leng, D. H.	3,000 00	312 40
Morrison, A. W. (July 30)	2,400 00	2 00	Menzies, R.	3,000 00	621 80
Murphy, J. A.	3,000 00		Schneider, F. W.	2,400 00	179 70
Pelletier, F. A.	3,000 00	226 86	Smith, C. H. V.	3,000 00	865 91
Pitt, J. C.	3,000 00	63 00	London:		
Poliquin, J. L. H.	2,400 00	30 00	Blandford, R. D.	3,000 00	660 22
Reader, R.	2,400 00	26 52	Guymer, G. L.	3,000 00	841 53
Rothwell, A. L.	3,000 00	74 30	Hood, A. W. (Mar. 12)	2,640 00	394 88
Smith, F. C.	3,000 00	70 00	Hudson, W. J.	2,400 00	48 80
Smith, P. G.	3,000 00	66 00	Rich, H. J.	3,000 00	893 76
Thomson, James R.	3,240 00	260 75	Ottawa:		
Thomson, John R.	2,400 00	12 00	Allan, J. J.	2,400 00	250 83
Viens, C.	2,880 00	70 00	Dunlop, J. C.	2,400 00	450 78
			Green, L.	2,640 00	377 89
			Larochelle, A. J.	3,000 00	184 74
			Lugsdin, L. E.	2,400 00	62 94

AUDITOR GENERAL'S REPORT

	Salary rates	Travelling expenses		Salary rates	Travelling expenses
Smith, H. A.	2,400 00		Windsor:		
Sykes, A.	3,240 00	3 00	Leaf, G. N.	3,000 00	194 80
Vincer, R. A.	2,880 00	2,734 11	Rippon, F. W.	2,880 00	208 46
Peterborough:			Sherriff, W.	3,000 00	251 55
Budden, F. R.	3,000 00	485 30	Tomkins, E. J.	3,000 00	237 75
St. Catharines:			<i>Western Division</i>		
Patrick, W. M. P. ..	2,400 00	285 00	Port Arthur:		
Simpson, R. A.	2,400 00	86 10	Bond, A. E.	2,400 00	372 12
Toronto:			Milne, G. G.	3,000 00	1,423 61
Allison, W. W.	3,000 00	63 30	Winnipeg:		
Argument, G.	3,000 00	69 15	Arthur, J.	2,880 00	218 45
Ballantyne, D. F. S.			Christie, D. P.		
(Oct. 31)	3,000 00	3 00	(Aug. 18)	3,000 00	
Barrett, E. A.	2,640 00	89 30	Fox, V. E.	2,400 00	15 25
Barrett, T. H.	3,000 00	78 55	Gabriel, F. E.		
Benton, F. G.	3,000 00	52 00	(Dec. 26)	2,400 00	33 50
Brown, G. B.	3,000 00	114 90	Johnson, W. C.	2,400 00	51 36
Campbell, A. D.	2,400 00	49 90	Kergan, R. L.	3,240 00	352 74
Channon, C. B.	2,400 00		Paterson, R. G.	3,000 00	244 40
Chant, H. G.	2,400 00	20 40	Sangster, J.	3,000 00	173 68
Coakwell, J. A.	3,000 00	129 69	Taylor, A. J.	2,880 00	560 45
Coffin, C. E.	3,720 00	166 15	Wirth, J. C.	2,400 00	86 10
Crowther, G. D.	3,000 00	138 95	Regina:		
Cullen, H. A.	2,400 00	223 35	Dale, S. C.	2,400 00	708 99
Cunniam, G. P.	3,000 00	75 65	Saskatoon:		
Cunningham, R. N.	2,400 00	56 75	Kerr, H. C.	3,000 00	747 01
Dean, C. S.	2,880 00	111 70	Wells, M. R.	2,400 00	523 03
Ellard, E. F.	2,400 00	10 00	Calgary:		
Ferrie, R.	3,000 00	88 00	Ford, H. W.	3,000 00	667 77
Flanagan, T. W. A.	3,000 00	83 00	Gaetz, D. G.	2,400 00	1,672 51
Gibson, J. H.	2,640 00	51 00	Logie, T.	2,400 00	768 49
Gorman, M. J.	2,400 00	49 90	Roach, E. R.		
Grant, J. W.	2,880 00	1,173 60	(Jan. 24)	2,400 00	567 25
Gray, G. F.	3,000 00	74 00	Sanderson, J. D.	3,000 00	222 05
Halloran, J. F.	3,000 00	1,458 55	Sloan, E. B.	4,140 00	2,502 73
Harris, A. N. K.	3,000 00	131 75	Edmonton:		
Hignell, H. A.	3,240 00	159 45	Bould, H. S.	2,400 00	8 00
Hill, J. S.	2,880 00	85 05	George, E. S.	2,400 00	76 15
Hill, T. P.	3,000 00	70 30	Studer, C. A. B.	2,400 00	600 30
Hill, W. F.	3,000 00	46 50	Vancouver:		
Kay, C. B.	3,240 00	137 50	Agnew, J. S.	2,400 00	13 07
Lang, C. L.	3,000 00	191 45	Anderson, W. B.	3,000 00	84 50
Lawrence, E. D.	3,240 00	490 98	Bone, B. W. M.	3,240 00	278 89
Lugsdin, W. R.	3,000 00	67 30	Booth, S.	2,880 00	153 15
Mann, A. E.	2,400 00	64 50	Clendenning, C. H.	2,400 00	106 28
Mann, C. A.	3,000 00	226 25	Galland, A. J.	3,000 00	73 11
Matta, J. F.	3,000 00	112 85	Gardner, B. K.	2,400 00	267 97
Minish, H. W.	3,000 00	14 00	Haddow, H. G.	2,400 00	83 57
Mitchell, C. R.	3,000 00	42 00	Matthews, L. A.	3,000 00	138 37
Moore, W. C.	3,000 00	112 85	Moffitt, H. C. W.	2,400 00	34 40
Nicoll, C. W. I.	2,880 00	89 40	Page, A. J. W.	3,720 00	569 69
Phillipson, C. E.	3,720 00	598 01	Privat, C. T.	2,400 00	21 50
Revell, W. O.	2,880 00	85 55	Reid, L. C.	2,640 00	349 11
Scott, G. C.	3,000 00	161 32	Ruffell, T. S.	3,000 00	83 45
Shepherd, W. C.	3,240 00	80 20	Stedman, F.	2,400 00	25 70
Smith, E. B.	2,400 00	44 00	Thorburn, L. J.	3,000 00	1,012 13
Trant, J. F.	3,000 00	83 95	Victoria:		
Walton, W. L.	2,400 00	63 60	Henderson, J. W.	3,000 00	129 09
Wells, R. W.	2,880 00	466 70			
Wood, C. M.	3,000 00	89 70			

A C Among the charges to these allotments are (i) the salaries of departmental officers who were attached, temporarily, to the Foreign Exchange Control Board, and (ii) the salaries and living allowances of certain officers stationed in the United States, whose time was occupied in servicing railway transportation companies, the sums of \$8,350 and \$22,726.74, respectively, having been recovered in this connection and included under the heading "Miscellaneous Revenue Collections" in the "Details" section of the departmental statement of revenues given on a previous page.

C Living allowances of \$500 or over were paid to the following officers stationed in the United States: W. J. Campbell, \$720; G. B. Dench, \$720; J. E. Donnen, \$1,475.81; R. L. Needham, \$720.

D Distributed as follows: Printing, \$5,610.59, and stationery, \$8,669.68 (including \$2,305.20 for the acquisition, inspection and repair of, typewriters, adding, calculating and copying machines, etc.).

E This allotment includes \$1,316.33 for living expenses of officers while acting in a relieving capacity away from their place of residence, also \$2,244.99 for removal expenses of officers. Of these amounts \$1,949.21 was paid to R. A. Burdett in connection with his removal from London, England, to Ottawa, Canada.

In addition to the travelling expenses listed under A B E above, the following employees also received \$300 or more for travelling expenses: J. F. M. Champagne, \$473.43; S. J. Fullerton, \$550.20; D. E. Gallant, \$493.30; A. R. Hutchinson, \$1,265.61; P. P. Last, \$345; W. H. Matthews, \$385.75; M. E. T. McAndrew, \$988.54; E. O'Connor, \$371.68; A. P. O'Reilly, \$481.30; L. L. E. Rolston, \$476.62; J. W. Stringer, \$394.64; J. L. Sullivan, \$672.70.

G As at March 31, 1942, 394 officers were bonded for amounts ranging from \$1,000 to \$5,000, under the Government Officers Guarantee Fund. No claims were made on the fund during the fiscal year in respect of any of these officers.

H The charges to this allotment include: postage and post office box rents, \$2,870.68; compensation for loss, due to depreciation of the Canadian dollar, on cheques issued for salaries and expenses of officers stationed in the United States, \$751.47; office rentals and lighting, \$1,369.65; a payment of \$118.18 covering expenses for storage and insurance on furniture, left behind in Brussels, Belgium, by P. M. Roy, formerly Investigator of Values in that city.

Audit Note

B An overpayment in salary of \$64.62 was made to a temporary officer now separated from the service.

Vote 196 Preventive Service Undervaluation Unit	63,315 00
Expenditures	56,365 84
Lapsed	\$ 6,949 16

	Estimates details	Allotments authorized	Expenditures
A Permanent Salaries	57,525 00	57,000 00	51,823 75
B Temporary Assistance	1,440 00	1,965 00	1,674 40
C Printing and Stationery	500 00	500 00	323 98
D Travelling Expenses	3,000 00	3,000 00	1,998 64
E Telegrams and Telephones	350 00	350 00	269 20
F Guarantee Fund	200 00	200 00	162 83
G Sundries	300 00	300 00	113 04
	<u>\$ 63,315 00</u>	<u>\$ 63,315 00</u>	<u>\$ 56,365 84</u>

Comments

This vote was provided to meet salaries (including cost of living bonuses) and other expenses of the Undervaluation Unit whose duty it is to investigate infractions of the customs laws (except cases of smuggling) involving the importation and entry of goods under false invoices or declarations regarding values and duties payable.

AUDITOR GENERAL'S REPORT

A B As of March 31, 1942, there were 22 permanent and 2 temporary employees paid from these allotments. The following were the rates paid to officers receiving annual salaries of \$2,400 or over on that date: H. E. Ball, \$2,760; H. L. Carson, \$3,720; C. S. Fisher, \$2,520; C. E. Gress, \$2,520; L. H. Hall, \$2,760; G. E. M. Hunter, \$3,720; T. B. Hurson, \$2,520; R. C. Maxwell, \$2,760; B. A. Neville, \$2,520; U. A. Paquette, \$2,760; I. Savard, \$3,720; C. H. Tyers, \$2,520.

Thirteen of the officers who were paid from these allotments also received seizure awards of moiety payable under regulations promulgated under the Customs and Excise Acts. The payments were made from seizure revenue and amounted to \$13,900.93.

D In addition to the charges to this allotment, \$1,449.66 for travelling expenses of thirteen officers was paid from seizure revenue. Payments of \$300 or over, from the allotment and/or from seizure revenue were as follows: J. W. Brault, \$582.45; B. A. Neville, \$363.14; U. A. Paquette, \$620.48; I. Savard, \$596.23.

Vote 197 Ports, Outports and Preventive Stations, including pay for overtime of officers, notwithstanding anything in the Civil Service Act, and temporary buildings and rentals	7,462,960 00
Expenditures	7,359,642 82
Lapsed	\$ 103,317 18

	Estimates details	Allotments authorized	Expenditures
A Salaries	6,191,760 00	6,241,760 00	6,232,379 40
B Living Allowances	11,700 00	11,700 00	11,536 68
C Overtime	150,000 00	175,000 00	172,991 10
D Uniforms	40,000 00	36,000 00	29,658 39
E Printing and Stationery	210,000 00	185,000 00	158,326 65
F Travelling Expenses	70,000 00	90,000 00	86,292 38
G Telegrams and Telephones	30,000 00	40,000 00	39,121 95
H Cartage	170,000 00	120,000 00	112,369 54
I Postage	50,000 00	54,000 00	50,641 26
J Express and Freight	12,000 00	17,000 00	16,145 72
K Legal Expenses	50,000 00	50,000 00	41,556 26
L Stamps and Labels	325,000 00	325,000 00	320,026 38
M Guarantee Fund	17,500 00	17,500 00	16,334 50
N Temporary Buildings, Maintenance and Rentals	100,000 00	70,000 00	49,906 34
O Sundries	35,000 00	30,000 00	22,356 27
	<u>\$7,462,960 00</u>	<u>\$7,462,960 00</u>	<u>\$7,359,642 82</u>

Comments

This vote was provided to meet (i) the salaries (including cost of living bonuses) and other expenses of collectors of Customs and Excise and their staffs, engaged in (a) the examination and appraisal of imported goods, (b) the assessment and collection of the duties and taxes payable thereon, (c) the assessment and collection of excise duties, excise taxes, and sales tax on domestic goods, (d) the supervision of Customs bonded warehouses and licenced establishments and the port administration of the Customs and Excise laws and regulations; and (ii) related expenditures.

A As at March 31, 1942, there were 2,983 permanent and 464 temporary employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets):—

	Salary rates
<i>Nova Scotia</i>	
Halifax:	
Collins, C. A.	\$3,720 00
Hare, J.	2,820 00
Heisler, H. S.	3,120 00
Moore, G. C. (July 11)	3,000 00
O'Leary, A. B.	3,000 00
Power, P. J. (Sept. 23)	2,580 00
Sydney:	
Tobin, W. J.	2,760 00
Yarmouth:	
Wyman, M. C.	2,520 00
<i>Prince Edward Island</i>	
Charlottetown:	
Goodwin, L. W.	2,580 00
<i>New Brunswick</i>	
Fredericton:	
Colter, F. P.	2,640 00
Moncton:	
Girouard, J. A.	2,640 00
Saint John:	
Abbott, F. C.	3,000 00
Berry, H. V.	3,000 00
Hoyt, A. L.	3,720 00
Sullivan, H. D.	3,000 00
Wright, C. H. B.	2,820 00
<i>Quebec</i>	
Granby:	
Gauvin, L. E.	3,000 00
Lacolle:	
Racicot, E. D.	3,000 00
Montreal:	
Aucoin, A.	4,140 00
Bertin, A. L. S.	2,460 00
Bourdon, E. H.	3,000 00
Brabant, J. F.	3,000 00
Clerk, E. G.	3,000 00
Craig, A. F. (Sept. 30)	2,460 00
Dagenais, E.	2,640 00
Denis, J. L.	2,760 00
Drapeau, J. E. B.	2,460 00
Faucher, J. P.	2,460 00
Galarneau, J. A. H.	3,000 00
Giroux, A.	3,240 00
Granton, C.	3,000 00
Grenier, P. E.	3,540 00
Guernon, M. J. R.	3,000 00
Harwood, J. O. A.	2,460 00
Hayward, F.	2,760 00
Juteau, A.	3,000 00
Kavanagh, J. J. (Jan. 6)	2,520 00
Labelle, J. D.	3,000 00

	Salary rates
Laing, A.	5,700 00
Lally, J. E.	3,000 00
Lalonde, O.	2,760 00
Lalumière, J. A.	3,000 00
Leblanc, D.	2,460 00
Lemieux, R.	2,460 00
Logan, T.	2,880 00
Loranger, G. A.	2,760 00
McKenzie, J. F.	2,760 00
Mignault, L. (Feb. 21)	3,720 00
Olivier, J. A.	3,000 00
Papillon, F.	2,400 00
Parizeau, L. D.	2,400 00
Pelletier, G.	3,180 00
Porteous, H.	2,400 00
Roche, H. G.	3,000 00
Roy, F.	2,460 00
St. Jean, J. A.	3,000 00
Wall, W. F. (Aug. 7)	3,000 00
Walsh, G. B.	3,000 00
Quebec:	
Arsenault, J. M.	3,000 00
Belleau, J. A.	3,000 00
Bergeron, E. L.	2,820 00
Blouin, J. A.	3,120 00
DeBilly, J. S.	3,720 00
Ferland, N. E.	2,760 00
Julien, F. J.	2,400 00
Matte, G.	3,000 00
Santerre, J. A. A.	2,460 00
Tessier, J. A. W.	2,460 00
Rock Island:	
Struthers, E. J.	2,640 00
St. Johns:	
Pinsonnault, J. L. S.	2,640 00
Sherbrooke:	
Bélisle, J. C.	2,520 00
Greenland, L. W. E.	2,640 00
Valleyfield:	
Duquette, J. A. E.	2,640 00
<i>Ontario</i>	
Amherstburg:	
Campbell, P.	3,000 00
Spittel, F. C.	2,460 00
Belleville:	
Clarke, E. M.	2,460 00
Cook, W. J.	3,000 00
Geen, E. A.	3,120 00
Ross, H. A.	2,400 00
Sprague, F. W.	2,460 00
Brantford:	
Coale, A. A.	2,580 00
Lyle, R. J.	3,000 00

	Salary rates		Salary rates
Brockville:		Ottawa:	
Bannerman, W. R.	2,460 00	Blacklock, J. A.	2,940 00
Chatham:		Booth, G. E.	2,520 00
Rawlings, D. G. H.	2,520 00	Driscoll, C. E.	3,000 00
Fort Erie:		Mulligan, J. E. S.	3,000 00
Osborn, G. H.	2,820 00	Saunders, A. M.	3,720 00
Price, C. H.	2,700 00	Wood, J. H.	2,820 00
Stamp, W. G.	3,720 00	Owen Sound:	
Willson, J. E. A.	2,520 00	Dobson, E. A.	2,460 00
Fort William:		Peterborough:	
Coombes, C. E.	3,120 00	Lang, W. M.	3,120 00
Stewardson, C. E.	2,400 00	Port Arthur:	
Galt:		Hanley, J.	2,880 00
Veitch, W. J.	2,640 00	Prescott:	
Guelph:		Cook, E. A.	2,760 00
Hanlon, J. R.	2,640 00	St. Catharines:	
Hamilton:		Blain, J. C.	2,820 00
Angle, M. W. (Sept. 14)	3,000 00	Sarnia:	
Ballentine, A.	4,260 00	Cole, S. A.	3,720 00
Binkley, N. G.	2,400 00	East, W. J. (Oct. 30)	2,760 00
Craig, R. B.	2,520 00	Sault Ste. Marie:	
Glass, W. R.	2,520 00	Blamey, J. R.	2,400 00
Greig, W. G.	2,520 00	Fisher, R. (Nov. 30)	3,120 00
Hughes, C. H.	3,000 00	Toronto:	
Kirkpatrick, H. J.	2,640 00	Barnett, P. J.	3,000 00
Leask, R. N.	2,760 00	Burns, R. J.	2,460 00
Mills, P. E.	2,460 00	Burns, W. G.	2,760 00
Quinn, F. J.	2,460 00	Chivrell, M. W.	2,520 00
Williams, H. R.	3,000 00	Clark, R. H.	2,760 00
Kingston:		Delaney, J. J.	2,820 00
Cathcart, A. W.	2,880 00	Drinkwater, W. S.	3,720 00
Kitchener:		Green, A.	3,000 00
Break, E.	3,000 00	Guthrie, W. F.	4,140 00
Klepper, J.	2,700 00	Howard, A. T.	2,760 00
McLay, R. T.	2,460 00	Lennie, E. D.	5,700 00
Rogers, H. A.	2,400 00	Lunham, A. S.	3,000 00
Williams, J. K.	3,000 00	MacKay, J. C.	2,940 00
London:		McArthur, G. H.	3,720 00
Down, W. H.	3,720 00	McCormack, A.	2,400 00
Smyth, G. W.	2,580 00	McCutcheon, A. D.	2,460 00
Thomas, W. R.	2,760 00	McGuire, W. A. (Sept. 3)	2,820 00
Wooster, H. W.	2,820 00	Meredith, H. S.	2,760 00
Midland:		Myers, F. C.	2,460 00
Haggart, W. E.	2,520 00	Robertson, W.	3,000 00
Niagara Falls:		Robinson, J.	2,400 00
Burton, T. F.	2,820 00	Robinson, W.	3,000 00
Dunk, J. W.	2,760 00	Ruttle, G. N.	2,460 00
Gardner, G. C.	3,720 00	Seed, S. P.	2,760 00
Prest, S. G.	2,520 00	Tate, T. G.	2,880 00
Oshawa:		Taylor, S. G.	3,240 00
Mechin, N. F.	3,120 00	Walsh, W. H.	3,000 00
Meek, R.	2,760 00	Wilkie, E. A. P.	2,880 00
Moore, J. A.	2,400 00	Walkerville:	
		Armstrong, L. E.	2,460 00
		Hall, H. R. M.	3,000 00

	Salary rates		Salary rates
McCann, F. A.	2,760 00	Edmonton:	
Ritchie, W. B.	3,720 00	Duke, J. W.	2,580 00
Van Wagoner, K. G.	2,820 00	Edgecombe, G.	2,400 00
Wallaceburg:		Huntley, E.	2,520 00
Mitchell, G. R.	2,640 00	Lethbridge:	
Welland:		Gates, W. H.	2,640 00
Hooker, E. D.	2,640 00	<i>British Columbia</i>	
West Toronto:		Nanaimo:	
Raybould, J. P.	2,880 00	Abrams, B. S.	2,460 00
Thompson, P. H.	2,460 00	New Westminster:	
Windsor:		Barrett, R. A.	3,000 00
Beardmore, H.	3,180 00	Buchanan, J. S.	2,460 00
Clark, T.	3,720 00	Fadden, A. G.	2,940 00
Hall, R. P.	3,000 00	Prince Rupert:	
Packman, C. H.	2,520 00	McLeod, J. H.	2,820 00
<i>Manitoba</i>		Vancouver:	
Emerson:		Abbott, R. W.	2,460 00
Lendrum, R.	2,640 00	Birmingham, H. D. A.	3,720 00
Winnipeg:		Brown, G. V.	2,400 00
Bailie, J. T.	3,720 00	Brown, J. (Oct. 31)	2,400 00
Jordan, W.	3,060 00	Bush, M. A.	2,940 00
Kennedy, A. M.	4,920 00	Carmichael, A.	4,920 00
Magee, H. E.	2,700 00	Chilver, F. W.	2,760 00
Matheson, G. A.	2,460 00	Cocker, C. J.	2,520 00
Matheson, J. G.	2,700 00	Darrach, D. C. (Feb. 28)	2,760 00
Milnes, H.	3,000 00	Dempster, H. I.	2,760 00
Nixon, F. W.	3,000 00	Devlin, H. F.	3,420 00
Prowse, E. W.	2,460 00	Harford, H.	3,000 00
Rollerson, W.	2,760 00	Hopgood, A. J.	2,760 00
Rutland, G. W.	2,460 00	Johns, S. C.	3,000 00
Telford, G. S. (Jan. 31)	2,460 00	Kemp, S. B.	2,460 00
Thomas, W.	3,000 00	Link, R. L.	2,460 00
<i>Saskatchewan</i>		McLachlan, R. A.	2,520 00
Moose Jaw:		Morgan, E. J.	3,000 00
Price, T. S.	2,520 00	Simpson, G.	3,000 00
Regina:		Tossell, C. A.	3,000 00
Gabb, H. J.	2,880 00	Victoria:	
Horn, J.	2,400 00	Conyers, C.	2,760 00
O'Connell, M.	2,760 00	Frisby, A. E. (Oct. 26)	2,760 00
Saskatoon:		Huxtable, A. S.	2,640 00
Perrey, C. A.	2,640 00	Kenny, J. E.	2,820 00
<i>Alberta</i>		Yardley, G. A.	3,720 00
Calgary:		<i>Yukon</i>	
Allen, T. M.	2,760 00	Dawson:	
Dauncey, A. R.	2,760 00	Williams, J. O.	3,120 00
McDougall, J. C.	2,400 00	White Horse:	
McLaren, G. E.	3,120 00	Simmons, J. A.	2,520 00
Ross, C. H.	2,520 00		

In addition to the payments from this allotment, salaries, etc., totalling \$57,157.28, were paid to 423 Customs and Excise officers by other departments.

The salary of officer E. J. Struthers of the Port of Rock Island, Que., which is among the charges to this allotment, is recoverable from the Foreign Exchange Control Board,

to which organization officer Struthers is attached temporarily; the sum recovered during 1941-42, \$2,640, is included under the heading "Miscellaneous Revenue Collections" in the statement on a previous page giving the "Details" of "Revenues" of the Department.

B Living allowances are paid to officers stationed in northern British Columbia and the Yukon. The following were paid at the rate of \$1,500 per annum: J. P. Begg; F. Cederberg; T. A. M. Haney; W. J. Nelson; J. A. Simmons; G. F. S. Watson; J. O. Williams.

C Overtime services were performed by port officers on Sundays, holidays and outside of regular hours; the cost was, for the most part, charged to, and paid for, by the firms or persons accommodated. As shown under "Miscellaneous Revenue Collections" in the "Details" section of the departmental statement of revenues given on a previous page, \$177,543.80 was recovered in this connection. The excess of receipts over expenditures is due chiefly to the fact that in certain cases officers were allowed compensating time off instead of being paid for overtime.

D For the purpose of providing uniforms for distribution to customs officers, cloth is purchased by the Department for resale to clothing manufacturers who tailor the garments and bill the Department for the completed uniforms.

Cloth purchases were: Leach Textiles Ltd., Montreal, \$997.64; Paton Manufacturing Co. Ltd., Montreal, \$12,308.96.

Cloth purchases were: Walter Blue and Co. Ltd., Sherbrooke, \$2,361.97; Gordon Campbell Ltd., Vancouver, \$1,661.08; Clayton and Sons Ltd., Halifax, \$2,118.80; Hamilton Uniform Cap Co., \$276.75; Tip Top Tailors, Ltd., Toronto, \$6,252.93.

Payments for uniforms were: Walter Blue and Co. Ltd., \$4,445.49; Gordon Campbell Ltd., \$3,280.50; Clayton and Sons Ltd., \$4,693.20; Hamilton Uniform Cap Co., \$1,352.50; Tip Top Tailors Ltd., \$12,932.15. Payments for uniform badges, buttons, etc., were: William Scully Ltd., Montreal, \$1,234.34.

E Distributed as follows: Printing, \$106,974.12, and stationery, \$51,352.53 (including \$4,030.15 for the acquisition, inspection and repair of, typewriters, adding, calculating and copying machines, etc.).

F This allotment includes \$45,765.39 for living expenses of officers while acting in a relieving capacity away from their place of residence; also \$1,160.49 for removal expenses of officers.

Payments of \$300 or over were made to the following: R. F. Acorn, \$848.69; R. A. Aldersmith, \$480.46; A. L. Aucoin, \$381; S. W. Barrett, \$381.15; J. J. L. Barry, \$300; H. Beardmore, \$405.65; C. J. Beaton, \$725.47; W. R. Beecraft, \$317.32; G. B. D. Berton, \$926.20; L. P. Blais, \$374.75; H. E. Blois, \$379.50; F. E. Bradley, \$301.60; F. S. Broder, \$415.37; P. A. Caron, \$995.14; W. C. Cochrane, \$570.10; S. A. Cole, \$310.60; C. N. Corkum, \$493.80; J. D'Amours, \$352.06; A. R. Dauphinais, \$906.90; W. H. Davis, \$437.16; W. J. Elliot, \$816.50; G. F. Freeman, \$333.35; A. S. Fuller, \$356.50; E. F. Fulton, \$381.30; F. J. Gillis, \$1,156.50; C. F. Glenn, \$618.01; F. R. Goode, \$300; J. P. Greig, \$344.54; F. M. Hackney, \$307.36; R. E. Hall, \$570.35; A. L. Hambleton, \$658.26; C. R. Hawley, \$434.05; J. H. Hayes, \$627.45; J. E. Hebert, \$458.01; W. B. Howse, \$1,061.20; W. F. Johnston, \$458.50; D. Kidd, \$300; E. R. Kingsley, \$417; F. B. Leblanc, \$616.50; C. E. Leclerc, \$370.93; A. W. Lee, \$414; J. A. R. Lepage, \$1,429.80; J. D. U. Lussier, \$855.82; J. A. Mailloux, \$1,358.80; I. R. McGregor, \$962.65; W. N. McMaster, \$381.85; R. Meek, \$800.31; H. S. Meredith, \$558.61; B. N. Messinger, \$592.45; J. R. Miller, \$311.95; J. O. R. Moffet, \$473.91; D. J. Nelson, \$357.54; J. O. Parent, \$340.20; I. F. Pooley, \$1,310.58; S. G. Prest, \$325.75; E. D. Racicot, \$417.32; L. N. O. Raymond, \$759.05; J. V. Rees, \$393.35; A. C. Sargeant, \$886.65; A. G. Savage, \$777.37; H. L. Scott-Stone, \$300; H. F. Sherwood, \$671.64; T. F. Smith, \$1,235.34; L. E. Starke, \$311.41; J. G. A. Thibaudeau, \$795.60; H. Vermette, \$300; T. Walters, \$814.40.

H Offsetting the expenditure of \$112,369.54 for cartage, the sum of \$22,840.79 was recovered (chiefly at the port of Montreal) and is shown as "Miscellaneous Revenue Collections" in the "Details" section of the departmental statement of revenues given on a previous page.

Payments of \$1,000 or over were made to the following: Ardley Bros., Ottawa, \$1,660.70; Armstrong Cartage and Warehouse Co. Ltd., Hamilton, \$1,881.20; H. W. Bacon, Toronto, \$25,069.44; Burke and Wood, Ltd., Vancouver, \$2,091.75; Canadian Transfer Co. Ltd., Ottawa and Toronto, \$2,457; W. Chalut, Montreal, \$6,402; Gray's Baggage Transfer, London, \$2,127.70; Hendrie & Co., Hamilton, \$3,311; James Storage & Cartage Co. Ltd.,

Calgary, \$1,550.41; R. J. Kimmel, Winnipeg, \$7,443.30; J. D. Kingston, Toronto, \$1,812; Laurin Express Ltd., Montreal, \$14,360.66; A. Letourneau, Quebec, \$1,077.90; Mahar's Transfer Express, Halifax, \$1,024.65; Mainland Transfer Co. Ltd., Vancouver, \$5,278.60; P. McNulty, Saint John, \$1,800; C. A. Price, Windsor, Ont., \$1,560; St. Arnaud & Bergevin, Montreal, \$17,864.43.

K Payments of \$1,000 or over were made to the following: R. Genest, Montreal, \$1,215.45; M. Hartt, Montreal, \$4,378.48; Smart and Biggar, Ottawa, \$6,725.

L Stamps and labels required for customs and excise purposes, and law stamps, required under the provisions of the Exchequer Court Act, c. 34, R.S., and the Supreme Court Act, c. 35, R.S., are manufactured and furnished by the British American Bank Note Co., Ltd., under contract authorized by P.C. 3239 of December 22, 1934.

M All officers of this service were bonded for amounts ranging from \$500 to \$10,000, under the Government Officers Guarantee Fund. No claims were made on the fund during the fiscal year, in respect of any of these officers.

N Expenditures distributed as follows: construction of buildings, including fixed equipment, \$12,416.37; repairs and alterations, \$5,784.02; maintenance, \$17,540.32; rentals, \$12,368.27; repairing and equipping harbour boats, \$1,602.99; sundry, \$194.37.

Payments of \$1,000 or over were made to the following: Beaver Lumber Co. Ltd., Winnipeg, \$3,649.67; T. Berlie, Robsart, Sask., \$2,107.62; Department of Pensions and National Health, \$1,800; H. C. Polley, Sydney, \$1,344; H. H. Popham, Ottawa, \$1,293.61; Robertson Construction and Engineering Co. Ltd., Niagara Falls, \$1,800; Steel Equipment Co. Ltd., Ottawa, \$2,151.

O Distributed as follows: Advertising, \$1,778.27; commissions on sales of excise tax stamps, \$3,069.08; dating and numbering machines, \$4,614.33; fees for entering and clearing vessels and aeroplanes, \$3,747.50; laundry and towel service, \$1,287.56; maintenance of equipment, \$2,575.96; supplies and materials, \$2,432.02; miscellaneous items, \$2,851.55.

Payments of \$1,000 or over were made to the following: Capital Stamp and Stationery Co., Ottawa, \$2,003.05; Pritchard-Andrews Co. of Ottawa, Ltd., \$2,666.55; Robert Soper Ltd., Hamilton, \$1,312.40; Toronto Stock Exchange, \$2,158.96.

Audit Note

F As stated in the report of 1940-41, the cost of operation, at the Port of Antigonish, N.S., was increased due to the fact that as no permanent collector was appointed, the Department delegated officers from other ports to perform the collector's duties, with the result that expenditures of \$1,112.25 were incurred for travelling and living expenses of such officers. The situation was unchanged at the close of the fiscal year under review and in consequence further expenditures of \$1,780.75 were incurred for like services during 1941-42.

INCOME TAX DIVISION

Vote 198	<i>General Administration, including authority to create positions and make appointments within the Division, notwithstanding anything contained in the Civil Service Act and the said positions and staff so appointed are hereby wholly excluded from the operation of the said Act</i>	433,580 00
Vote 499	<i>Further amount required</i>	57,710 00
		491,290 00
	Expenditures	464,030 68
	Lapsed	\$ 27,259 32

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Permanent Salaries	192,500 00	224,500 00	223,674 02
B Temporary Assistance	140,490 00	78,490 00	76,691 44
C Printing and Stationery	80,500 00	46,700 00	40,528 45
D Travelling Expenses	8,800 00	38,800 00	31,989 68
E Telegrams and Telephones	2,000 00	2,000 00	1,892 97
F Express, Freight and Cartage	7,500 00	15,700 00	15,591 41
G Law Costs	18,000 00	18,000 00	6,724 50
H Sundries	9,500 00	16,600 00	16,529 80
I Canadian Bankers' Association	32,000 00	50,500 00	50,408 41
	<u>\$ 491,290 00</u>	<u>\$ 491,290 00</u>	<u>\$ 464,030 68</u>

Comments

A B As of March 31, 1942, there were 140 permanent and 74 temporary employees paid from these allotments. The following were the rates paid to officers receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): C. F. Elliott, Commissioner of Income Tax, \$9,000; E. Belleau, \$3,240 (military leave, Mar. 16); R. F. Burns, \$3,360 (member of the War Contracts Depreciation Board); G. H. Code, \$4,500; C. A. Dewar, \$3,000; W. S. Fisher, \$4,980; J. S. Forsyth, \$2,400; R. A. Gilham, \$2,760; G. W. Green, \$2,760; W. B. Kelley, \$2,760; F. H. Lewis, \$5,700; H. N. MacAdam, \$2,640; E. S. MacLachy, \$3,240; G. Marrotte, \$2,400; J. A. McColl, \$3,600; A. A. McGrory, \$4,200; H. H. Milburn, \$3,360; R. D. Pearson, \$3,360; S. Quigg, \$4,200; L. A. Renaud, \$4,000 (Joint Secretary of the Board of Referees, Excess Profits Tax Act); M. F. Sprott, \$2,400; C. W. Stephens, \$3,600; H. H. Stikeman, \$3,240; J. R. Tolmie, \$3,900 (on loan to Department of Finance, Oct. 13); J. R. Urquhart, \$3,420.

C Distributed as follows: Printing, etc., \$21,298.32, and stationery, \$19,230.13 (including \$2,653.69 for the acquisition, inspection and repair of typewriters and adding machines).

D From this allotment there were paid per diem allowances and expenses in connection with:—

(i) The Board of Referees, Excess Profits Tax Act: Chairman, Hon. W. H. Harrison, at \$20 per day, \$3,230, expenses, \$1,188.65; members at \$50 per day, K. W. Dalglish, \$7,500, expenses, \$398.95; C. P. Fell, \$7,625, expenses, \$795.90; adviser, C. Elliott, at \$50 per day, \$4,850, expenses, \$930.32; and

(ii) the War Contracts Depreciation Board: Hon. C. P. McTague, Chairman, at \$20 per day, \$2,090, expenses, \$214.15; the compensation of the other members of the Board are detailed as follows, R. F. Burns, under A B above and F. H. Black, under "Administration" of the Department of Munitions and Supply division of the War Appropriation.

In addition, payments of \$300 or over were made to the following: C. A. Dewar, \$884.56; C. F. Elliott, \$407.98; W. B. Kelley, \$616.25; A. A. McGrory, \$469.72; H. H. Stikeman, \$389.40.

F Payments of \$1,000 or over were made to the following: Canadian National Railways, \$7,328.34; Canadian Pacific Railway Company, \$6,730.64.

G One account of over \$1,000 was incurred during the year; this was for \$2,689.01 to the Dominion Textile Company Ltd. in payment of Exchequer Court costs.

H Payments of \$1,000 or over were made to the following: Associated Screen News Ltd., Montreal, production of income tax trailer, "April's Here Again", prints, etc., \$2,052.93; Russell T. Kelley Ltd., Hamilton, newspaper advertising and relative production charges, and fees for broadcasting station announcements, \$10,844.95.

I Under authority of P.C. 49/1031 of May 6, 1937, Canadian chartered banks are compensated, through the Canadian Bankers' Association, for their services in receiving ownership certificates and collecting and remitting to the Receiver General of Canada the tax imposed under the Income War Tax Act, in respect of dividends and interest payable to residents and non-residents of Canada, as evidenced by coupons presented to the banks for encashment. For similar service the Montreal City and District Savings Bank is compensated under the authority of P.C. 58/1656 of March 3, 1942.

Payments were distributed as follows: Bank of Montreal, \$12,474.76; Bank of Nova Scotia, \$4,153.05; Bank of Toronto, \$2,540.37; Banque Canadienne Nationale, \$3,131.69; Banque Provinciale du Canada, \$1,016.20; Barclays Bank (Canada), \$206.61; Canadian Bank of Commerce, \$8,597.57; Dominion Bank, \$2,049.48; Imperial Bank of Canada, \$1,875.96; Montreal City and District Savings Bank, \$924.31; Royal Bank of Canada, \$13,438.41.

Audit Note

C An advance of \$150 was not accounted for in accordance with the provisions of Section 32(2) of the Consolidated Revenue and Audit Act.

Vote 199 Internal Inspection and Verification 171,040 00

Vote 500 Further amount required 19,980 00

191,020 00
Expenditures 161,909 46

Lapsed \$ 29,110 54

	Estimates details	Allotments authorized	Expenditures
A Permanent Salaries	112,340 00	137,340 00	133,066 79
B Temporary Assistance	69,180 00	44,180 00	24,725 86
C Printing and Stationery	500 00	500 00	
D Travelling Expenses	8,000 00	8,000 00	4,116 81
E Sundries	1,000 00	1,000 00	
	\$ 191,020 00	\$ 191,020 00	\$ 161,909 46

Comments

These votes were provided to meet salaries (including cost of living bonuses) and other expenses of the staffs of the Chief Inspector, the Inspector of Non-resident Income Tax Levies and the Head Office Assessor.

A B As of March 31, 1942, there were 43 permanent and 14 temporary employees paid from these allotments. The following were the rates paid to officers receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): R. Sharp, Chief Inspector, \$6,000; J. C. Anderson, \$3,240; R. E. Andrews, \$3,240; R. M. Baird, \$2,880; J. E. Beauvais, \$2,760 (July 15); J. A. Berthiaume, \$2,760; T. W. Bullock, \$5,700; B. W. Calver, \$2,400; H. T. Cluffe, \$2,400; C. H. Day, \$3,600; L. S. Drummond, \$2,400; J. J. Duff, \$2,400; A. C. Farquharson, \$3,240; G. A. Fellowes, \$2,880; G. E. Footit, \$2,520; D. J. Gill, \$2,400; A. Gray, \$4,080; C. E. Gruson, \$3,240; J. F. Harmer, \$2,520; J. H. Hayes, \$3,600; H. C. Hogarth, \$4,140; E. Illingworth, \$2,880; N. Johnson, \$2,400; T. N. Kirby, \$2,880; J. E. P. LeBoeuf, \$2,400; R. A. Lefebvre, \$2,760; H. G. Lewis, \$2,520 (Nov. 14); C. H. MacDonald, \$4,920; T. F. Mackay, \$3,240; G. W. A. MacKenzie, \$2,400; W. A. MacKinnon, \$3,240; J. C. McCay, \$2,400; F. C. Meahan, \$3,240; E. Oakes, \$3,600; P. H. Otterdahl, \$2,400; H. A. Parker, \$3,240; A. Pearl, \$2,400; N. Pentland, \$3,600; H. F. Pinhey, \$2,760; D. R. Pook, \$2,400; H. D. Poole, \$2,400; B. Pyke, \$3,240; K. L. Reid, \$2,520; J. A. L. Ross, \$2,520; C. G. Rounding, \$2,400; J. F. Russell, \$3,000; A. M. Simpson, \$3,600; W. O. Simpson, \$4,620; W. S. Stone, \$3,000; R. Swift, \$4,080; W. H. B. Way, \$3,240.

D Payments of \$300 or over were made to the following: L. C. Allen, \$474.46; H. C. Hogarth, \$322.57; F. C. Meahan, \$1,863.16; R. Sharp, \$330.46.

Vote 200 District Offices	2,836,958 00
Vote 431 Further amount required	81,000 00
Vote 501 Further amount required	304,850 00
	3,222,808 00
Expenditures	3,214,049 27
Lapsed	\$ 8,758 73

	Estimates details	Allotments authorized	Expenditures
A Permanent Salaries	1,608,744 00	1,804,744 00	1,804,049 12
B Temporary Assistance	1,291,690 00	963,690 00	961,375 44
C Printing and Stationery	150,000 00	289,000 00	288,901 99
D Travelling Expenses	50,000 00	44,000 00	41,462 68
E Telegrams and Telephones	15,000 00	15,000 00	13,825 07
F Postage	91,000 00	89,000 00	88,815 04
G Law Costs	2,000 00	3,000 00	2,862 28
H Sundries	14,374 00	14,374 00	12,757 65
	\$3,222,808 00	\$3,222,808 00	\$3,214,049 27

Comments

These votes were provided to meet the salaries (including cost of living bonuses) and other expenses of the several District Inspectors of Income Tax (supervising nineteen district offices) and their staffs engaged in maintaining tax rolls, receiving and disposing of income tax returns and assessments of the Dominion and of the provinces of Manitoba, Ontario, Prince Edward Island and Quebec, and the Yukon Territory, collecting monies due the Crown in respect of income taxes, excess profits tax and succession duty, maintaining the necessary accounts and conducting investigations at the places of business of taxpayers or elsewhere as occasion arose.

A B D As of March 31, 1942, there were 976 permanent and 1,137 temporary employees paid from these allotments. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets), and were paid travelling expenses of the amounts shown:—

	Salary rates	Travelling expenses		Salary rates	Travelling expenses
Halifax:			Masters, C. A.		
Coffill, A. F.	\$2,640 00	\$ 346 26	(Feb. 28)	4,020 00	
Dickson, W.	3,240 00	8 41	Spinney, E. B.	2,400 00	
Kent, W. G.	4,500 00	49 70	Wetmore, C. R.	2,400 00	93 95
Matheson, W. A. ...	2,520 00	118 70	Montreal:		
McDonald, J. M. ...	2,400 00	29 85	Adam, B. O.	2,880 00	970 89
Rutherford, D. F. ...	2,640 00	3 05	Alexander, J. H.	3,600 00	
Silver, F. L.	2,520 00	338 56	Allan, D. S.	2,400 00	
Charlottetown:			Allen, L. C.	4,500 00	*43 95
Cosh, A. B.	2,880 00		Audet, D. W.	2,400 00	
Dixon, J. W.	2,520 00		Barrière, R.	2,520 00	287 82
Ritchie, G. E.	3,000 00		Bedard, R.	3,600 00	757 60
Saint John:			Bernier, G.	2,400 00	796 27
Belyea, J. E.	2,400 00	66 45	Bielby, J.	3,240 00	
Eastabrook, F. J. ...	2,880 00	221 30	Black, F. J.	2,400 00	
Eastabrooks, W. H. .	2,880 00	25 90	Booth, C. L.	2,400 00	37 56
			Bourassa, R.	2,640 00	

* Further amount of \$474.46 charged to Vote 199.

	Salary rates	Travelling expenses		Salary rates	Travelling expenses
Bourget, J. E.	2,880 00		Marchand, D. (Nov. 17)	2,400 00	394 08
Bowden, P.	2,760 00	370 65	Martin, J. R.	2,400 00	2 18
Bulmer, A. M.	2,540 00		McLaughlin, D. J. .	2,640 00	
Campbell, J. J. (Jan. 20)	2,400 00		McMorrow, J. J. .	4,800 00	141 20
Cardin, J. O.	2,400 00		Melancon, J. R.	2,400 00	
Casselman, A. F. ...	2,400 00	7 48	Melvin, J. W.	2,400 00	1,006 59
Castera, L.	2,520 00		Morency, M. B.	2,520 00	
Chamard, W. M. ...	2,400 00	164 63	Morrison, J. W.	3,120 00	104 30
Choquette, L. P. A.	2,760 00	934 23	Mulhall, P. S.	2,400 00	
Church, E. J.	2,400 00		Mullins, C. E.	2,760 00	
Clifford, F. C.	2,420 00		Murphy, W. T.	3,000 00	30 85
Conklin, H. E.	2,520 00	244 42	Myers, W. D.	3,000 00	100 39
Corry, T. C.	2,400 00		Nadeau, J.	2,400 00	
Coté, W. E.	2,400 00		Newton, T. C.	2,400 00	
Courtois, E.	2,400 00		Nutt, P. K.	2,520 00	162 84
Dagenais, L. P.	2,400 00		O'Brien, C. D.	3,240 00	104 57
Dahme, L.	2,400 00		O'Neill, E. P. (Sept. 15)	3,200 00	
Davidson, R. M. ...	2,520 00		Paquin, W.	2,400 00	
DesGranges, P. Y. ...	2,400 00	784 39	Petclerc, J. C.	2,700 00	
Drouin, P. H.	2,400 00	271 28	Poliquin, J. A. R. ...	2,640 00	981 55
Dugal, P. F.	2,520 00		Pollock, D.	2,400 00	
Dugré, R.	2,400 00	98 09	Pope, J. A.	2,760 00	
Filion, L.	2,640 00	228 50	Prud'homme, F. X. .	2,880 00	
Fletcher, R. M.	2,520 00		Pugsley, P. T. R. ...	2,520 00	200 27
Fraser, J. W.	2,400 00	1,037 58	Reavely, S. D.	2,400 00	
Fredette, F. (Jan. 14)	2,760 00		Robson, L. R.	2,400 00	
Gallagher, A. J.	2,400 00		Rowland, A. H.	6,240 00	277 68
Gascon, L. (Jan. 31)	2,400 00	629 10	Roy, J. O.	2,640 00	50 78
Gauthier, L. J.	2,400 00		Sadler, C. G. W. (Mar. 27)	2,520 00	
Gauvin, P.	2,520 00	13 03	Ste. Marie, J.	2,400 00	
Gilmour, A. W.	3,000 00	22 97	Stewart, O. H. (Jan. 20)	2,520 00	5 64
Gregoire, J. O.	2,400 00		Sumner, W. D. (July 31)	2,880 00	
Gregory, N. V.	3,240 00	28 45	Taylor, L.	4,800 00	70 55
Grenier, R.	2,400 00	313 57	Taylor, L. R.	2,760 00	
Hansen, H. A. (Apr. 16)	2,400 00		Thompson, J. E. (Aug. 4)	2,400 00	
Holiday, K. G.	2,400 00		Turcot, W.	3,240 00	45 20
Houghton, V. (military leave, Mar. 30)	2,400 00		Watson, E. M.	2,400 00	
Howell, J. G.	2,760 00	29 70	Whitelaw, A. W.	2,400 00	
Jessop, W. J.	2,400 00	6 33	Wood, B.	2,520 00	43 75
Jordan, J.	2,520 00				
Joubert, R.	4,620 00	31 05	Quebec:		
Kirkhope, H. B.	2,520 00		Beaubien, J. A.	2,400 00	
Labbee, J. A.	2,400 00	958 35	Bolduc, C. H.	2,880 00	21 06
Labelle, G.	2,400 00		Breton, R.	2,400 00	
Labelle, J. Z.	3,240 00	30 25	Carrier, C. W.	2,880 00	48 97
Lajeunesse, P. M. .	2,400 00		Clavet, R.	2,400 00	32 00
Lavigne, E.	2,400 00		Coulonval, F.	2,880 00	
Legault, H.	2,400 00		Hall, J.	2,880 00	
Legault, J. R.	2,400 00		Lachance, J. E. E. .	2,400 00	4 48
Lemay, R.	2,400 00	681 80	Lebeuf, G.	2,400 00	2 05
Lemieux, E. A.	2,400 00		Pouliot, J. L.	2,400 00	
L'Heureux, J. A.	2,640 00		Thivierge, P. R.	2,400 00	
Lyonnais, R.	2,520 00	1,054 24	Van Borren, L. H. .	2,400 00	
Macfie, J. D.	2,880 00		Vincent, E. R.	3,960 00	160 40
Maheu, R.	2,520 00	1,180 54			
Mander, A. H.	2,400 00				

AUDITOR GENERAL'S REPORT

	Salary rates	Travelling expenses		Salary rates	Travelling expenses
Belleville:			Kennedy, J. C.	2,520 00	
Gilmore, S. J.	3,000 00		Leyden, C.	3,360 00	22 20
Maybee, D. E.	2,400 00	12 28	Line, W. H.	2,720 00	
Patrick, L. C.	2,400 00		McLachlan, D. A. ...	2,400 00	39 98
Watson, J.	2,400 00		Morgan, H. G.	2,880 00	40 25
Fort William:			Orr, H. I.	4,620 00	135 60
Hunter, J. C.	3,000 00	76 75	Roberts, A. J.	2,880 00	9 00
Patrick, E. R.	2,400 00	1 45	Rowden, R. S. M. ...	2,400 00	112 65
Hamilton:			Rudd, D. S.	2,880 00	
Asmussen, C. J.	2,880 00	95 10	Sedgwick, A. V.	2,880 00	119 26
Baldwin, H. W.	2,400 00	184 80	Snyder, M. S. (Dec. 1)	2,520 00	130 20
Ball, F. C.	3,720 00	53 30	Weldon, F. J.	2,520 00	17 10
Breakell, H. G.	2,400 00		Wigle, J. T. N.	2,400 00	92 20
Callaway, W. J.	4,800 00	2 80	Ottawa:		
Clancy, B. M.	2,520 00	88 23	Arduin, F. G.	2,400 00	715 34
Cockburn, T. A.	2,880 00	36 00	Barker, J. H.	3,720 00	
Creen, J. N.	2,520 00		Bernier, S. E.	2,400 00	629 87
Emerton, J. H.	2,760 00	66 95	Blanchfield, F. H. ...	2,880 00	363 92
Euler, R. D.	2,880 00	158 20	Botten, E. E.	3,240 00	
Fuller, R. S.	2,400 00	19 85	Boyd, H. E.	3,120 00	
Gentle, W. J.	2,400 00	2 65	Breckenridge, A. B. (Feb. 1)	2,400 00	
Hoyle, R.	2,400 00	166 75	Bull, H. F.	2,880 00	408 45
Hunt, W. H.	2,880 00		Clarke, P. L.	2,400 00	
Keen, A. E.	2,640 00		Cullinan, C. B.	2,400 00	
Madden, M. R.	2,880 00		Delacourt, A. F.	2,400 00	599 18
Mellor, H. F.	2,520 00	16 15	Doctor, J. (Jan. 19) ..	2,400 00	408 86
Moore, T. G.	2,400 00		Fellowes, K.	5,100 00	
Morrissey, J. R.	2,400 00	68 80	Findlay, W. F.	2,880 00	1,030 00
Newlands, T. J.	4,080 00		Fumerton, G. E. (July 18)	2,400 00	
Nicholson, Walter ..	3,240 00	244 51	Gervais, F. D.	2,880 00	144 65
Nicholson, Wm.	2,880 00	103 80	Humphrys, F. A.	2,760 00	
Noxon, A. G.	2,400 00	13 45	Jones, J. O.	2,880 00	352 89
O'Sullivan, J. E.	2,400 00		Laperrière, H.	2,880 00	369 85
Pattison, G. B. (Apr. 29)	2,400 00		Lemieux, C. E.	2,400 00	525 75
Paul, C.	2,400 00	294 10	Matheson, H.	2,400 00	495 92
Porteous, J. L.	2,760 00	9 80	Perrott, F. R.	2,880 00	354 15
Richardson, H. A.	2,400 00		Rice, G. P.	2,400 00	510 63
Schierholtz, E. G. ...	2,880 00	27 25	Smirle, B. C.	2,880 00	216 86
White, J. C.	2,880 00	159 25	Stephenson, J. J.	2,400 00	583 65
Wren, J.	2,760 00	180 05	Stevenson, G. L. (Nov. 19)	2,520 00	67 00
Kingston:			Turgeon, E.	2,760 00	902 38
Carson, G. E.	3,420 00	98 85	Van Dusen, F. L. ...	2,400 00	535 43
Haffner, F. A.	2,400 00	5 15			
Porter, H. L.	2,720 00		Toronto:		
London:			Adam, W. H.	2,920 00	
Adams, A. E.	2,640 00	26 30	Ahara, R. L.	2,520 00	20 45
Blandford, G. D. A. ...	2,400 00		Alexander, R. C.	2,400 00	
Booth, R. S.	2,880 00		Allen, R. O.	2,880 00	
Carom, F. P.	2,400 00		Baillie, G. A.	2,880 00	42 55
Dickinson, J. M.	2,520 00	25 05	Barclay, G. F.	2,400 00	42 65
Ellis, A. O.	3,840 00	55 35	Bartlett, H. F.	2,520 00	
Goodbourn, W. A. ...	2,400 00	1 25	Beer, F. G.	4,500 00	28 00
Gregory, E. T.	3,000 00	17 67	Brechin, H.	3,000 00	
Harding, W. G. (Aug. 8)	3,240 00		Butler, W. E.	2,400 00	
Hunt, R. C.	2,400 00		Callaway, A. (Feb. 3)	2,760 00	
Karley, H. H.	2,400 00		Campbell, D. W.	2,400 00	

	Salary rates	Travelling expenses		Salary rates	Travelling expenses
Coulter, D. M.	2,760 00		Patrick, G. M.	3,000 00	124 95
Crawley, N. L.	2,400 00		Peaker, L. R.	2,880 00	
Cross, R. W.	2,400 00		Pirie, A. J.	2,880 00	
Down, A.	2,400 00		Reeves, J. S.	2,880 00	28 15
Dunkley, H. W.	2,640 00		Roberts, J.	3,600 00	36 65
Epps, E. R.	3,240 00		Ronaldson, T. S.	2,400 00	
Farrell, G. S.	2,400 00		Sanderson, H.	2,880 00	7 55
Fenny, W. G.	2,760 00		Spence, G. L.	2,400 00	
Fickes, R. H.	2,520 00	75 65	Staples, W. A.	2,880 00	
Field, E. M.	2,520 00		Stewart, G. A.	2,400 00	
Finlayson, J. R.	2,880 00		Thomson, J. M.	2,400 00	
Fraser, W. B. J.	2,760 00		Toman, L. K.	2,880 00	
Gellatly, M. R.	2,880 00		Turner, T. W.	2,880 00	
Gibson, J. F.	4,800 00	67 10	Tyndall, C. L.	3,240 00	
Gillies, J.	2,880 00		Waddington, M. W. .	3,240 00	
Graham, F. J.	4,620 00		Wait, R. J.	2,520 00	
Grandin, T. (Oct. 1).	2,400 00	22 00	White, G. C.	2,760 00	
Harris, H. F.			Wilson, G.	2,460 00	
(Mar. 13)	2,880 00		Woodley, R. G.	3,720 00	49 45
Hawley, J. S.	2,760 00	6 75	Yeo, C. W.	2,880 00	
Henry, C. E.	2,400 00		Yorston, J. A.	2,760 00	
Hethrington, A. S. ..	2,760 00				
Hogg, L. F.	2,520 00		Winnipeg:		
Hopkins, F. P.	3,180 00		Abbott, J. W.	2,400 00	160 20
Horne, A. C. W.	2,880 00		Baker, W. H.	2,520 00	
Hume, J. S.	2,520 00		Burgess, H. C.	2,520 00	
Hunt, A. M.	2,520 00		Bushby, A.	2,880 00	218 50
Hunter, C. J.	2,880 00		Chudleigh, H. E.	2,400 00	
Hutchison, A.	4,800 00	130 45	Cotter, C. H.	2,880 00	110 75
Inrig, W. D.	2,880 00		Dott, R. M. M.	2,520 00	
Jeffery, H. J.	2,880 00	45 90	Fleming, J.	2,400 00	
Johnson, F. J.	2,880 00		Fletcher, R. V.	2,520 00	238 85
Johnston, W. M.	2,400 00		Gerrie, C. N.	2,880 00	
Kemp, E. N.	2,520 00		Grant, W. C.	4,080 00	
Kirk, R.	2,400 00		Green, F. L.	2,520 00	
Lambert, J. F.	2,880 00		Guthrie, R.	2,400 00	71 25
Lewis, R. N.	2,400 00		Halliday, J. M.	2,520 00	342 02
Lyon, W. H.	2,400 00		Hansen, H. E.	2,400 00	
Macdonald, G. G.	2,880 00		Hay, A.	2,880 00	
Macdonald, J. P.	2,880 00		Hemmeon, A. J.	3,240 00	
MacKenzie, L. V.	2,520 00		Jackson, T. C.	2,880 00	
Maynard, A. H.	2,400 00		Johnston, L. H.	2,880 00	
McCann, J. E.	2,760 00		Kinniburgh, W. A....	3,240 00	
McCarthy, F. W.	3,240 00		Lang, F. A. (Dec. 27)	2,520 00	
McClellan, G. B.	2,700 00		Lillie, J.	2,400 00	
McDonald, G. C.	3,240 00		Lowery, E. W.	5,100 00	28 25
McDonald, J. A.	2,880 00		McKay, M. E.	2,400 00	168 95
McDonald, T. A.	3,240 00		Mills, A.	2,400 00	
McGovern, P. C.	2,400 00		Munro, G. F.	2,880 00	
McLachlan, D. G.	2,880 00		Neil, A. V.	2,400 00	381 94
McLachlin, A. H.	3,240 00		Paterson, D.	2,400 00	
McLeod, N. R.	2,880 00		Pawlett, T. C.	2,880 00	
Montgomery, S.	2,400 00		Pawlik, A. G.	2,400 00	
Muir, J. E.	4,140 00		Read, C. A. (May 23)	2,400 00	
Newall, B. B.	2,400 00		Smith, J. H.	2,400 00	852 60
Newfeld, J. A.	2,400 00		Wadge, W. O.	2,400 00	
Nott, J. W.	2,400 00		Walton, R. H. G.	2,400 00	
O'Sullivan, F. W.	2,880 00		Weaver, L.	2,880 00	
Paterson, H. D.	6,360 00	90 00	Wokey, H. J.	2,520 00	192 40
			Wylie, J.	2,700 00	

AUDITOR GENERAL'S REPORT

	Salary rates	Travelling expenses		Salary rates	Travelling expenses
Regina:			Chambers, C. G.		
Collingwood, J.			(Dec. 27)	2,760 00	250 95
(Nov. 11)	3,020 00	124 92	Chidwick, C. R.	2,880 00	1 00
Cullum-Bird, E.	2,400 00	23 37	Clark, K. G.	2,400 00	19 20
Gerrand, E. W.	3,020 00		Cowan, G.	2,520 00	
Laban, A. V.	2,400 00	4 66	Dobson, L. S.	3,240 00	
Symons, P.	2,880 00	18 90	Edwardson, H. W. ..	2,400 00	200 27
Saskatoon:			Findlay, J.	2,520 00	
Ayton, C. H.	3,320 00	334 98	Findlay, W.	2,880 00	
Harris, E. A.	2,400 00	14 34	Golumbia, S. P.	2,400 00	1 25
Horne, A. J.	2,400 00		Griffin, F. B.	2,880 00	
Calgary:			Grover, F. J.	4,140 00	
Alexander, C.	4,500 00	16 95	Hayter, A. W.	2,760 00	
Bailey, W. H.	2,520 00	115 15	Laundy, C. E.	2,520 00	37 05
Craig, D. C.	3,240 00		Lee, N.	5,100 00	437 76
Larbalestier, C. H. ..	2,520 00		McKenna, J. J.	2,400 00	82 40
McLellan, G. R.			Murphy, L. F.	2,400 00	
(Oct. 16)	2,400 00	75 15	Peers, R. D.		
Morrice, A.	2,400 00		(Jan. 28)	2,760 00	113 47
Nelson, S. S.	2,880 00		Pratt, H. B.	2,400 00	79 30
Pyle, H. J.	2,880 00		Ralls, S. W.	2,880 00	
Richards, C.	2,400 00		Rathie, W. G.	2,400 00	2 05
Roberts, F. A.	2,880 00	72 10	Rising, P.	2,880 00	
Sparrow, H. C.	2,880 00		Sheppard, D. H.	2,880 00	93 07
Edmonton:			Sibary, W. G.	2,880 00	49 60
French, M. C.	2,400 00		Stevens, J. S.	3,240 00	108 32
Gee, G. E.	2,400 00		Stokes, B. E.		
Ladler, A. E.	2,880 00		(Jan. 28)	2,520 00	42 40
Skinner, W. G.	3,140 00		Thomas, D. O.	2,400 00	23 60
Thomson, R. D.	2,400 00		Thompson, W. G.	2,520 00	
Vancouver:			Willecox, R. J.	2,400 00	
Brown, J.	2,400 00		Dawson:		
Burton, J. D.	2,400 00	2 70	Grant, C.	2,400 00	
Carter, G. W. J.	3,000 00	26 79	Livingston, D. H. (in-		
			cludes living allow-		
			ance at \$1,200 per		
			annum)	2,820 00	123 95

C Distributed as follows: Printing, etc., \$150,191.85, and stationery, \$138,710.14 (including \$68,561.46 for the acquisition, inspection, and repair of, adding, accounting, calculating and duplicating machines, and typewriters).

D In addition to the travelling expenses shown in the statement under A B D above, payments of \$300 or over were made to the following: A. J. Douglas, \$305.74; C. W. Gossage, \$365.82; A. F. Munroe, \$411.31; R. Patenaude, \$644.46; C. J. Scott, \$714.06; R. Senecal, \$884.89; A. C. Tate, \$466.90.

F The expenditures under this allotment include \$1,838.88 paid for short-paid postage on mail received from the public.

H The charges to this allotment include: car and bus fares, \$1,436.71; cartage, express and freight, \$1,403.73; death gratuities of deceased employees, \$2,176.64; excise tax stamps, \$1,599.51 (placed on cheques received from taxpayers, by mail, without the required stamps affixed thereto); laundry and towel service, \$1,749.35; purchase and rental of postage meter machines, etc., Canadian Postage Meters and Machines Co., Ltd., Toronto, \$1,774.85.

GENERAL

<i>Vote 201</i>	<i>Amount to be paid to the Department of Justice to be disbursed by and accounted for to it for Customs Excise and Income Tax Secret Investigation Services</i>	<i>15,000 00</i>
	<i>Expenditures</i>	<i>1,168 60</i>
	<i>Lapsed</i>	<i>\$ 13,831 40</i>

Comment

Apportioned as follows: Customs and Excise, \$968.60; Income Tax, \$200.

SUPERANNUATION, RETIREMENT, AND OTHER BENEFITS

Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S. \$ *11,070 00*

DEPARTMENT OF NATIONAL WAR SERVICES

REVENUES

	Details	1941-42	1940-41
Ordinary Revenue—			
A	Documentary Films		112 45
B	Photographs	445 26	63 80
C	Pamphlets and Publications	43 03	105 06
D	National Film Board	11,210 98	6,266 50
E	Motion Picture Bureau	7,568 64	58,027 95
		<u>\$ 19,267 91</u>	<u>\$ 64,575 76</u>

Refund of the previous fiscal year's expenditure is shown in the War Expenditures section of this report.

Certified correct.

L. R. LAFLECHE,
T. C. DAVIS,
*Associate Deputy Ministers of
National War Services.*

JOHN GRIERSON,
Government Film Commissioner.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

B C Proceeds were received from the sale of still photographs to the public and from gratuitous donations.

D E These receipts were derived from the sale, rental, and distribution of films.

APPROPRIATIONS AND EXPENDITURES

Appropriations of \$726,576.67 were included in the Estimates; \$198,910 was voted to the Department of Trade and Commerce; \$518,000 to the Department of Transport; and \$9,666.67 authorized by Statute. Votes of the above Departments were transferred to the Department of National War Services during the fiscal year. Expenditures amounted to \$682,058.29.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salary of Minister—Salaries Act, c. 182, R.S., as amended, c. 40, 1940	8,055 56	8,055 56	
Statutory	Motor Car Allowance to Minister, Appropriation Act, No. 5, c. 61, 1931	1,611 11	1,611 11	
344	Motion Picture Bureau	159,810 00	148,857 92	10,952 08
348	National Film Board	39,100 00	39,016 55	83 45
405}				
432}	Canadian Travel Bureau Service ..	518,000 00	484,517 15	33,482 85
		<u>\$ 726,576 67</u>	<u>\$ 682,058 29</u>	<u>\$ 44,518 38</u>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

War Expenditures

War expenditures by the Department of National War Services are detailed in the War Expenditures section of the report.

Salary of Minister—Salaries Act, c. 182, R.S., as amended, c. 40, 1940..\$ 8,055 56

Motor Car Allowance to Minister—Appropriation Act No. 5, c. 61, 1931...\$ 1,611 11

Comments on Expenditures

The Hon. J. T. Thorson received salary at the rate of \$10,000 per annum and motor car allowance at \$2,000 per annum from June 11, 1941.

Travelling expenses are detailed in the Departmental Administration allotment under the War Appropriation section of the report.

Vote 344 Motion Picture Bureau	159,810 00
Expenditures	148,857 92
Lapsed	\$ 10,952 08

	Estimates details	Allotments authorized	Expenditures
A Salaries	70,256 00	77,371 00	77,370 59
B Short Term Employment	29,000 00	19,000 00	15,899 60
C Supplies, Materials, Printing, Stationery, etc.	30,000 00	34,470 00	71,039 04
D Equipment, etc.	10,000 00	6,245 00	42,114 60
E Express, Freight, Cartage, Customs Duties, etc.	4,000 00	4,000 00	3,175 33
F Telegrams, Telephones, etc.	500 00	3,895 00	3,893 73
G Travelling Expenses	3,500 00	7,275 00	7,272 95
H Miscellaneous (including recording royalties, music clearance, fees for narrators, com- posers, musicians, scenarists, actors, tech- nicians, etc.)	12,554 00	7,554 00	1,231 44
			221,997 28
Less revenue credited to C and D			73,139 36
	\$ 159,810 00	\$ 159,810 00	\$ 148,857 92

Purpose for which Vote was Provided

By Orders in Council P.C. 3549, June 11, 1941, and P.C. 6047, August 8, 1941, the activities of the Motion Picture Bureau were transferred to the control and supervision of the National Film Board. Votes of the National Film Board and the Motion Picture Bureau, accordingly, were used for the same purpose. (See National Film Board Vote 348.)

Comments on Expenditures

A There were 50 employees on March 31, 1942. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): F. C. Badgley, Director, \$4,620; W. S. Carter, \$3,600; A. P. Cote, \$3,600 (Oct. 1); E. M. Finn, \$3,180; S. H. Hollebome, \$3,000; W. H. Lane, \$2,880; R. McLean, \$4,500; C. J. Quick, \$2,880; J. B. Scott, \$3,480; A. M. Shaw, \$3,000; E. R. Wilson, \$2,880.

C D H Payments in excess of \$5,000 were made to the following: Canadian Kodak Sales Ltd., Toronto, \$57,533.38; DeLuxe Laboratories Inc., New York, \$7,975.79; Dominion Sound Equipments Ltd., Montreal, \$8,829.56.

G Travelling expenses in excess of \$300 were paid as follows: P. J. George, \$1,061.62; J. Grierson, \$4,403.95 (See also National Film Board Vote 348); W. Greene, \$877.44.

AUDITOR GENERAL'S REPORT

Vote 348 National Film Board	39,100 00
Expenditures	39,016 55
Lapsed	\$ 83 45

	Estimates details	Allotments authorized	Expenditures
A Salaries	6,600 00	7,935 00	7,933 40
B National Film Programme	27,500 00	22,984 00	22,903 26
C Transportation and Travelling Expenses ...	2,000 00	3,285 00	3,284 22
D Telegrams, Telephones, Postage	1,500 00	1,795 00	1,794 81
E Miscellaneous	1,500 00	3,101 00	3,100 86
	\$ 39,100 00	\$ 39,100 00	\$ 39,016 55

Purpose for which Vote was Provided

Salaries and expenses covering the cost of production and distribution of national films and still pictures used for the purpose of advertising Canada, and promoting national unity. Expenditures of administration and direction in the production of films for the various departments of Government—the actual production costs of which were recovered from those authorizing the productions. By Orders in Council P.C. 3549, June 11, 1941, and P.C. 6047, August 8, 1941, the Motion Picture Bureau was transferred to the administration, control, and supervision of the National Film Board.

Comments on Expenditures

- A** This amount was paid to J. Grierson, Government Film Commissioner, who was receiving an annual salary of \$10,000 on March 31, 1942.
- C** Travelling expenses in excess of \$300 were paid as follows: D. Cameron, \$839.13; J. Grierson, \$1,583.22 (See also Motion Picture Bureau Vote 344).

GENERAL

Comprehensive motion picture programs were undertaken and motion pictures produced by the National Film Board during the fiscal year. Charges were recovered from the following Government departments in the amounts shown: Agriculture, \$1,049.36; Finance, \$105,042.74; Munitions and Supply, \$15,038.26; National Defence, \$48,034.98; National Revenue, \$75; National War Services—Canadian Travel Bureau, \$22,882.80; Public Information (detailed in the War Expenditures section); Pensions and National Health, \$1,008.18; Post Office, \$16,421.42; Public Works, \$2,051.46; Trade and Commerce, \$119.34; Transport, \$388.44. Payment was also received from the following: University of Toronto, \$250; Canadian Red Cross Society, \$250; Trans-Canada Air Lines, \$5,919.21. Donations were received as follows: Canadian Car and Foundry Co. Ltd., Montreal, \$1,000; Canadian Vickers Ltd., Montreal, \$1,000; Clark Ruse Aircraft Ltd., Montreal, \$1,000; De Havilland Aircraft of Canada Ltd., Toronto, \$1,000; Fairchild Aircraft Ltd., Longueuil, P.Q., \$1,000; Fleet Aircraft Ltd., Fort Erie, \$1,000; MacDonald Bros. Aircraft Ltd., Winnipeg, \$1,000; MacKenzie Air Service Ltd., Edmonton, \$1,000; National Steel Car Corporation Ltd., Montreal, \$1,000; Noorduynd Aviation Ltd., Montreal, \$1,000.

Payments over \$5,000, in connection with the above, were as follows: Associated Screen News Ltd., Montreal, \$107,243.71; Crawley Films Ltd., Ottawa, \$8,535.76; Walt Disney Studios, Burbank, California, U.S.A., \$10,337.34; Technicolor Motion Picture Corp., Hollywood, California, U.S.A., \$9,396.80; Vancouver Motion Pictures Ltd., Vancouver, \$5,842.94.

Vote 405 Canadian Travel Bureau Service	500,000 00
Vote 432 Advertising and Publicity Supplement	18,000 00
	518,000 00
Expenditures	484,517 15
Lapsed	\$ 33,482 85

	Estimates details	Allotments authorized	Expenditures
A Salaries	40,265 00	41,865 00	41,829 34
B Advertising and Publicity	426,000 00	426,000 00	407,347 74
C Publications	37,000 00	32,650 00	22,547 55
D Printing and Stationery	7,000 00	7,000 00	3,488 14
E Travelling Expenses	2,500 00	4,900 00	3,730 67
F Sundries	5,235 00	5,585 00	5,573 71
	<u>\$ 518,000 00</u>	<u>\$ 518,000 00</u>	<u>\$ 484,517 15</u>

Purpose for which Vote was Provided

Salaries and expenses to promote tourist business in Canada, including costs of advertising and publicity.

Comments on Expenditures

- A** There were 26 employees on March 31, 1942. The following were receiving annual salaries of \$2,400 or over on that date: D. L. Dolan, Director, \$7,000; G. G. Fraser, \$3,000; C. K. Howard, \$3,000; H. A. McCallum, \$4,020; J. J. O'Keefe, \$3,000; H. A. Underwood, \$3,000.
- B** Cockfield Brown & Co. Ltd., Montreal, received \$362,872.93 for the insertion of advertising in a diversified number of newspapers and magazines in the United States, and for a reprint of the tourist booklet "Canada Calls You". Payment of \$10,946.16 was also made to Stevenson & Scott Ltd., Montreal, for advertisements inserted in United States publications. To provide an opportunity for seeing at first hand Canada's wartime activities an accountable payment of \$5,000 was made to the Province of Quebec to assist in financing the cost of bringing into Canada, for their annual convention, approximately 375 members of the National Editorial Association of the United States. Motion pictures amounting to \$22,882.80 were produced by The National Film Board and distributed throughout Canada and the United States. For advertising and publicity work, Mrs. G. I. Campbell, serving without remuneration, received as travelling expenses, \$1,182.74.
- C** Newsletters, folders, roadmaps, etc., used as advertising media were distributed to tourist information bureaus, civic chambers of commerce, automobile and fishing clubs, etc., in the United States. In this connection the King's Printer received \$20,576.94.
- D** Payment of the entire expenditure was made to the King's Printer.
- E** Travelling expenses in excess of \$300 were paid as follows: D. L. Dolan, \$1,778.64; H. A. McCallum, \$302.82; H. A. Underwood, \$421.18.
- F** This covers the cost of the following items: freight and express, \$4,473.74; telephones and telegrams, \$390.95; miscellaneous, \$709.02.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

REVENUES

	Summary	1941-42	1940-41
Ordinary Revenue—			
Sick Mariners' Dues		400,069 17	314,899 67
Casual Revenue		244,111 25	231,881 22
Fines and Forfeitures		12,035 08	9,193 22
		<u>\$ 656,215 50</u>	<u>\$ 555,974 11</u>

Details

A	Sick Mariners' Dues—Dues Collected: Nova Scotia, \$310,223.17; Prince Edward Island, \$421.86; New Brunswick, \$15,698.50; Quebec, \$46,667.96; British Columbia, \$27,057.68		400,069 17
	Casual Revenue—		
B	Licence and Registration Fees: Food and Drugs Act, \$490; Opium and Narcotic Drugs Act, \$3,330; Proprietary or Patent Medicine Act, \$5,513.89	9,333 89	
C	Analysis Fees—Food and Drugs Act	2,135 00	
D	Fumigation and Inspection of Ships	13,132 58	
E	Miscellaneous: Rental of launch, \$1,800; Maintenance of seamen at Sick Mariners' Clinic, Halifax, \$153.....	1,953 00	
F	Refunds of Previous Years' Expenditures	217,556 78	
			<u>244,111 25</u>
G	Fines and Forfeitures: Food and Drugs Act, \$6,531.95; Opium and Narcotic Drugs Act, \$5,493.13; Proprietary or Patent Medicine Act, \$10		12,035 08
			<u>\$ 656,215 50</u>

Certified correct.

R. E. WODEHOUSE,
*Deputy Minister of Pensions
and National Health.*

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments

- A Tonnage duties are levied on ships arriving at Canadian ports under authority of Part V of the Canada Shipping Act, Chap. 44, 1934. Sick mariners employed on board and belonging to ships on which such duties have been paid are provided with gratuitous medical and surgical treatment. The expenditure incurred in treating sick mariners amounted to \$385,070.14 during the fiscal year; vide expenditure details of Votes No. 224 and No. 434.
- F These refunds represent amounts received for treatment services rendered, \$76,645.85; recoveries of overpayments and re-deposited cheques for (a) Pensions, \$56,392.41; (b) War Veterans' allowances, \$31,198.89; (c) Unemployment assistance, \$12,829.75; Refunds of unused grants, Veterans' Assistance Commission, \$28,714.78; and miscellaneous receipts, \$11,775.10.

APPROPRIATIONS AND EXPENDITURES

A total of \$57,183,940.42 was available for expenditure on account of the Department of Pensions and National Health, of which \$55,463,585.26 was provided in the annual appropriation Acts and \$1,720,355.16 was authorized by continuing statutory provisions. Expenditures were \$54,664,391.88 for the fiscal year 1941-42, a decrease of \$1,496,777.17 from those of 1940-41.

In addition, a total of \$5,984,250 was allotted to the Department from War Appropriation. Expenditures thereunder, amounting to \$5,612,991.83, are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salary of Minister, Salaries Act, c. 182, R.S.	10,000 00	10,000 00	
Statutory	Motor Car Allowance to Minister, Appropriation Act, No. 5, c. 61, 1931	2,000 00	2,000 00	
202} 502}	Departmental Administration	122,460 00	120,754 65	1,705 35
PENSIONS BRANCH				
203} 420}	Pensions Branch Administration.. Canadian Pension Commission—	924,203 85	916,367 67	7,836 18
Statutory	Salaries of Commissioners—Pen- sion Act, c. 157, R.S. and amend- ments	50,642 44	50,642 44	
204	Administration expenses	456,000 00	415,540 14	40,459 86
205	War Veterans' Allowance Board	192,565 00	163,992 54	28,572 46
<i>Direct Payments to Veterans and Dependents</i>				
206	European War Pensions	39,600,000 00	38,903,464 24	696,535 76
207	War Veterans' Allowances	7,800,000 00	7,139,999 16	660,000 84
208	Unemployment Assistance	1,100,000 00	408,421 61	691,578 39
209	Hospital and Other Allowances..	600,000 00	531,137 65	68,862 35
<i>Services to Veterans and Dependents</i>				
210	Care of Patients	2,923,028 00	2,710,618 48	212,409 52
211	Veterans' Bureau	171,780 00	154,296 53	17,483 47
212	Employers' Liability Compensa- tion	50,000 00	40,096 72	9,903 28
213	Grant to the Last Post Fund	85,000 00	85,000 00	
214	Grant to Canadian Legion	9,000 00	9,000 00	
503} 433}	Veterans' Welfare Division	88,760 00	81,107 60	7,652 40
HEALTH BRANCH				
215	Health Branch Administration..	49,570 00	45,804 91	3,765 09
216	Food and Drugs	172,690 00	172,320 14	369 86
217	Opium and Narcotic Drugs	61,065 00	59,159 03	1,905 97
218} 420}	Proprietary or Patent Medicines	15,423 41	15,030 29	393 12
219	Quarantine and Leprosy, includ- ing contribution of \$1,500 to the International Bureau of Public Health	148,580 00	145,501 39	3,078 61
220	Laboratory of Hygiene	118,390 00	115,559 67	2,830 33
221	Immigration Medical Inspection	81,495 00	61,630 59	19,864 41

AUDITOR GENERAL'S REPORT

No. of Vote	Services	Appropriation	Expenditures	Lapsed
222	Child and Maternal Hygiene...	24,895 00	22,106 18	2,788 82
223	Public Health Engineering.....	34,920 00	33,368 44	1,551 56
224 }				
434 }	Treatment of Sick Mariners	406,470 00	385,070 14	21,399 86
225	Industrial Hygiene	11,230 00	7,294 99	3,935 01
226	Medical Investigations	34,810 00	24,007 34	10,802 66
435	Nutrition Services	10,000 00	7,134 46	2,865 54
227	Veneral Diseases	50,000 00	49,408 82	591 18
228	Grants to Institutions Assisting Sailors, in the amounts detailed in the estimates	2,600 00	2,600 00	
MISCELLANEOUS GRANTS				
229	Canadian Welfare Council	8,100 00	8,100 00	
230	Canadian National Committee for Mental Hygiene	10,000 00	10,000 00	
231	Health League of Canada	5,000 00	5,000 00	
232	Canadian National Institute for the Blind	18,000 00	18,000 00	
233	L'Association canadienne franc- aise des aveugles	4,050 00	4,050 00	
234	L'Institut Nazareth de Montreal	4,050 00	4,050 00	
235	Montreal Association for the Blind	4,050 00	4,050 00	
236	Canadian Tuberculosis Association	20,250 00	20,250 00	
237	Victorian Order of Nurses	13,100 00	13,100 00	
238	St. John Ambulance Association	4,050 00	4,050 00	
239	Canadian Red Cross Society....	10,000 00	10,000 00	
PENSIONS AND OTHER BENEFITS				
240	Pensions payable to men on Active Service, Northwest Rebellion, 1885, and general pensions....	18,000 00	17,593 34	406 66
Statutory	Militia Pension Act, 1901, c. 133, R.S.	1,648,362 80	1,648,362 80	
Statutory	Annuity to Col. John T. C. Thompson, Appropriation Act, No. 3, c. 53, 1939	4,999 92	4,999 92	
SUPERANNUATION AND RETIREMENT BENEFITS				
Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.	4,350 00	4,350 00	
Total		\$57,183,940 42	\$54,664,391 88	\$2,519,548 54

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Salary of Minister—Salaries Act, c. 182, R.S.\$10,000 00

Comments

The above noted salary was paid to the Honourable I. A. Mackenzie.

Motor Car Allowance to Minister—Appropriation Act, No. 5, c. 61, 1931 ...\$ 2,000 00

Vote 202 Departmental Administration 114,460 00

Vote 502 Further amount required 8,000 00

Expenditures 122,460 00
120,754 65

Lapsed\$ 1,705 35

	Estimates details	Allotments authorized	Expenditures
A Salaries	112,460 00	110,460 00	109,531 43
B Telephones, Telegrams and Postage	2,000 00	3,500 00	3,352 11
C Equipment	500 00	500 00	500 00
D Sundries	3,500 00		
E Transportation and Travelling Expenses...	4,000 00	8,000 00	7,371 11
	\$ 122,460 00	\$ 122,460 00	\$ 120,754 65

Comments

As of March 31, 1942, there were 48 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): R. E. Wodehouse, Deputy Minister, \$9,000; W. S. Woods, Associate Deputy Minister, \$8,000; H. A. Bridges, \$4,140 (appointed Canadian Pension Commissioner, Sept. 1); G. A. Browne, \$3,240; A. J. Dixon, \$4,500; M. A. Dixon, \$3,600; E. C. Forrest, \$2,400; W. H. George, \$4,500; W. G. Gunn, \$3,600; G. Leyden, \$2,100, private secretary's allowance, \$600; J. W. McKee, \$6,000; D. F. Rowe, \$3,600; C. N. Senior, \$4,080; R. K. Walker, \$3,000; A. H. Ward, \$3,000.

Travelling expenses of \$300 or over were paid as follows: Hon. I. A. Mackenzie, \$3,524.15; J. W. McKee, \$340.52; C. N. Senior, \$649.10.

PENSIONS BRANCH

Vote 203 Pensions Branch Administration 885,034 00

Vote 420 Cost of Living Bonus—Supplement 39,169 85

Expenditures 924,203 85
916,367 67

Lapsed\$ 7,836 18

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries	720,034 00	775,203 85	775,203 85
B Telephones, Telegrams and Postage.....	23,000 00	23,500 00	23,314 95
C Equipment	13,000 00	19,000 00	18,810 10
D Lands and Equipment	3,000 00	3,400 00	3,300 43
E Sundries	15,000 00	15,000 00	13,113 04
F Professional and Special Services.....	3,000 00	100 00	42 39
G Cost of Investigations by Soldier Settlement	18,000 00	5,000 00	4,926 00
H Rents	5,000 00	5,000 00	2,313 06
I Materials and Supplies	50,000 00	60,900 00	60,403 71
J Freight, Cartage and Express	5,000 00	5,600 00	5,595 49
K Transportation and Travelling Expenses..	30,000 00	11,500 00	9,344 65
	<u>\$ 885,034 00</u>	<u>\$ 924,203 85</u>	<u>\$ 916,367 67</u>

Comments

- A** As of March 31, 1942, there were 575 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): P. Ackerley, \$2,400; J. D. Anderson, \$3,000; C. G. Arthur, \$4,140, living allowance, \$300; W. H. Ballantyne, \$4,920; K. R. Berkley, \$2,400; G. H. Boyd, \$5,120; F. W. Butson, \$2,400; M. A. Carmichael, \$4,140 (Nov. 1. See also Vote 210); C. W. Carter, \$3,720; E. N. Chesham, \$3,000; S. G. Churchward, \$2,400; W. T. Colclough, \$2,400; H. L. Collins, \$2,400; W. H. Cross, \$2,400; E. B. Davies, \$2,400 (Jan. 1. See also Vote 215); G. C. Derby, \$4,920; W. D. Dewar, \$2,400; T. Fenton, \$3,720; W. L. Fleming, \$2,400; S. T. French, \$2,400; J. C. Garner, \$2,400; K. M. Garrett, \$2,400; J. T. Gibaut, \$3,720; J. Haslett, \$2,400; W. B. Hicks, \$3,600; R. H. Hill, \$3,120; W. H. Kilgour, \$2,700; S. E. Lambert, \$2,400; H. M. Logan, \$2,400; W. R. B. Lugar, \$2,400; M. A. MacAulay, \$4,920 (July 31); A. E. MacGregor, \$3,180; A. B. Martin, \$2,880; C. McMane, \$5,700; A. U. Meikle, \$4,320; G. R. Middleton, \$3,000, living allowance, \$100; E. H. Minns, \$3,720; T. Morrison, \$4,380; J. P. Oliver, \$4,140; F. Pate, \$3,000; F. T. Pinnell, \$2,400; H. P. Robinson, \$2,400; P. E. Salter, \$3,120; H. Saville, \$3,000; D. Scott, \$2,400; W. Tattersall, \$2,400; A. H. Thomas, \$2,400 (Dec. 1); A. P. Todd, \$2,880; C. L. Tucker, \$3,660; H. N. Welton, \$2,460; G. Williams, \$2,400; A. Wilson, \$2,400; H. Young, \$4,080 (Dec. 7).
- B** Charges for the three services are: Telephones, \$11,054.38; Telegrams, \$1,793.06; Postage, \$10,467.51.
- C** Includes accounts of the King's Printer for equipment, \$9,095.11.
- E** Includes \$3,608.78, covering interest credited on funds held in trust, \$3,533.06 light and power accounts; \$2,493.33 civilian labour covering char service at Christie Street Hospital, Toronto.
- H** This was paid to the Sun Life Assurance Co., London, Eng., for rent of quarters in London.
- I** Includes accounts of the King's Printer for printing and stationery, \$37,096.34; Photostat Corp., Rochester, N.Y., supplies, \$12,962.03
- K** Travelling expenses of \$300 or over were paid as follows: G. C. Derby, \$305.77; this allotment also covers cost of street car tickets, \$2,355.39.

Audit Notes

- A** This vote was charged with salary payments amounting to \$1,725, which were properly chargeable to Vote 210.
- E** Payments of wages for char service at Christie Street Hospital, Toronto, continue to be made upon Departmental authority only. Objection to this practice was reported in my report for the year 1939-40.

**Canadian Pension Commission, Salaries of Commissioners—Pension Act,
c. 157, R.S. and amendments** **\$ 50,642 44**

Comments

Annual salaries paid to the Canadian Pension Commissioners as at March 31, 1942, or at date of separation (shown in brackets) were as follows: H. F. McDonald, Chairman \$7,000; H. M. Barnes, \$6,000; H. Bray, \$6,000; H. A. Bridges, \$6,000; F. F. Chute, \$6,000; H. A. L. Conn, \$6,000; O. F. B. Langelier, \$6,000; J. K. Matheson, \$6,000; C. W. Peck, \$6,000 (Apr. 26); C. B. Reilly, \$6,000; Sir R. E. W. Turner, \$6,000 (July 15).

Vote 204 Canadian Pension Commission—Administration Expenses...	456,000 00
Expenditures	415,540 14
Lapsed	\$ 40,459 86

	Estimates details	Allotments authorized	Expenditures
A Salaries	356,900 00	356,900 00	349,930 18
B Telephones, Telegrams and Postage	8,000 00	9,000 00	8,769 69
C Equipment	500 00	500 00	475 28
D Sundries	5,000 00	3,500 00	2,091 08
E Pensions, Retired Commissioners		2,900 00	2,877 66
F Professional and Special Services	23,000 00	20,000 00	3,572 04
G Cost of investigations by Soldier Settlement	1,000 00	1,000 00	798 00
H Rents	500 00	500 00	15 00
I Materials and Supplies	6,000 00	8,000 00	7,647 24
J Freight, Cartage and Express	100 00	100 00	6 42
K Transportation and Travelling Expenses..	55,000 00	53,600 00	39,357 55
	\$ 456,000 00	\$ 456,000 00	\$ 415,540 14

Comments

A As of March 31, 1942, there were 204 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): L. T. Ainley, \$4,120; H. M. Barnes, \$5,220 (appointed Canadian Pension Commissioner Sept. 1); A. Beddingfield, \$2,520; E. S. Bridges, \$4,080; P. C. Cooper, \$2,400; W. E. Dexter, \$4,020; H. H. Eyres, \$4,080; J. G. Ferguson, \$4,080; R. F. Flegg, \$4,080; M. J. Gibson, \$4,080; W. O. Gliddon, \$4,620; R. J. Gordon, \$4,120; R. S. Henderson, \$4,080; G. P. Howlett, \$4,620; C. W. Hurlburt, \$4,120; J. A. Irving, \$3,000; I. James, \$3,540; B. F. Keillor, \$4,120; C. M. Keillor, \$4,920; J. W. Laing, \$4,080; L. F. Lavigne, \$4,080; J. Lawson, \$2,700; W. B. MacDermott, \$4,260; J. B. McGregor, \$3,540; G. A. Minorgan, \$4,080; H. W. Nichol, \$3,120; W. Paterson, \$2,400; C. M. Pratt, \$4,120; A. C. Rowswell, \$4,260; W. B. Seaton, \$4,620; E. Sheffield, \$4,080; J. D. Shields, \$4,620; B. Simpson, \$3,000; H. S. Sparks, \$2,400; A. E. Thompson, \$4,080; G. F. Toone, \$3,720; G. N. Urie, \$4,620; F. C. A. Walton, \$4,120.

B Charges for the three services are: Telephones, \$2,299.51; Telegrams, \$212.32; Postage, \$6,257.86

E Pensions to Col. C. W. Peck and to Sir R. E. W. Turner.
The King's Printer account, \$7,645.89.

K Travelling expenses over \$300 were paid to: Dr. H. M. Barnes, \$428.05; H. Bray, \$1,531.13; H. A. Bridges, \$873.71; Dr. F. F. Chute, \$987.05; J. H. Firth, \$2,266.88; G. H. Fowler, \$1,322.51; E. R. Grant, \$2,511.20; H. W. Heans, \$425.34; B. Langelier, \$581.74; H. E. Lewis, \$563.65; J. K. Matheson, \$742.52; P. A. Mondou, \$514.38; C. B. Reilly, \$933.81; Dr. A. C. Rowswell, \$857.21; H. J. Woolson, \$970.10.

Included in the expenditure are payments to the Canadian National Railways, \$6,591.91 and to the Canadian Pacific Railway, \$5,660.48, mainly for transportation obtained through warrants.

Vote 205 War Veterans' Allowance Board	192,565 00
Expenditures	163,992 54
Lapsed	\$ 28,572 46

	Estimates details	Allotments authorized	Expenditures
A Salaries	114,715 00	114,715 00	103,355 14
B Telephones, Telegrams and Postage	2,500 00	2,500 00	1,418 37
C Equipment	1,500 00	2,000 00	1,677 11
D Sundries	1,250 00	1,250 00	163 80
E Professional and Special Services	10,000 00	7,500 00	2,313 26
F Investigations by Soldier Settlement	45,000 00	45,000 00	40,620 00
G Materials and Supplies	6,000 00	8,000 00	7,641 56
H Freight, Cartage and Express	600 00	600 00	545 00
I Transportation and Travelling Expenses..	11,000 00	11,000 00	6,258 30
	\$ 192,565 00	\$ 192,565 00	\$ 163,992 54

Comments

- A** As of March 31, 1942, there were 51 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: A. T. Bond, \$4,620; H. A. Bowie, \$5,400; D. Carmichael, \$6,000; J. R. Christian, \$4,620; F. J. G. Garneau, \$6,000; M. A. Lavoie, \$4,080; A. C. March, \$6,000; W. C. N. Marriott, \$4,080; H. D. Pickworth, \$2,580.
- E** This allotment covers the cost of medical examinations of applicants, e.g., doctors' fees and hospital observation, etc.
- F** Where veterans reside in localities within easier reach of field supervisors of the Soldier Settlement Board than of departmental investigators, investigations are carried out by the Soldier Settlement Board. The rates charged are \$12 for initial investigations and \$6 for check-ups.
- G** Payments to the King's Printer for printing and stationery, \$7,638.38.
- I** This allotment covers travelling expenses of Departmental staffs and travel of applicants—accounts of \$300 and over were paid as follows: A. W. L. Auld, \$338.68; R. Charles, \$365.28; P. D. Crosby, \$434.72; P. M. Smith, \$840.31.

Direct Payments to Veterans and Dependents

Vote 206 European War Pensions	39,600,000 00
Expenditures	38,903,464 24
Lapsed	\$ 696,535 76

Comments

Pensions, gratuities, and grants awarded under the Pension Act in respect of:—

A Disabled and deceased ex-members of the Canadian Expeditionary Force..	38,688,004 84
B Disabled and deceased ex-members of the British Forces (Supplementary Pensions)	62,414 18
C Deceased ex-members of the Allied Forces	21,665 95
D Burial Grants	60,571 84
European War Expenditure	38,832,656 81
E Disabled and deceased members of the Militia whose disabilities or deaths occurred after the War	55,288 09
F New Zealand Pensions (Recoverable)	15,519 34
	\$38,903,464 24

- A** On March 31, 1942, there were 95,701 active pension accounts, including 17,730 dependents' cases; this compares with 97,145 accounts, including 17,941 dependents' cases, on March 31, 1941.

- The examination of 10,312 files during the year, together with cases under consideration when the report for 1940-41 was published, indicated that overpayments had been made to the extent of \$27,100.76; reductions in pension awards made as a result of representations by this Office during the year will result in a future annual saving of \$4,813.20.
- B** Officers and dependents of deceased officers who served with the British Forces and were domiciled in Canada at the outbreak of War, receive supplementary payments to British pensions to bring the sum of the two pensions up to the Canadian scale. 223 such cases were in payment on March 31, 1942; 44 South African pensions were also similarly supplemented.
- C** Dependents of members of the Forces of His Majesty's Allies who died as a result of War, and who were domiciled in Canada at the outbreak of War, receive supplementary pensions up to the Canadian scale. On March 31, 1942, such supplementary pensions in payment were Belgian 1, French 32, Italian 3.
- D** 580 burial grants were made during the year. The maximum grant that may be given is \$100 for funerals plus \$50 for last sickness.
- E** 127 cases were in payment on March 31, 1942.

Audit Note

Previous to the most recent amendment to the Pension Act (Chap. 23-1941) the deadline for payment of additional pension for wives and children of members of the Forces was May 1, 1933. The amendment retains this deadline date for Great War pensioners only, with the result that a member of the forces who was granted a pension in January 1924 for a peace-time disability and who was married in October 1941, was awarded additional pension in respect of his wife, thus placing him in a position of advantage over pensioners who incurred disabilities during the Great War.

Vote 207 War Veterans' Allowances	7,800,000 00
Expenditures	7,139,999 16
Lapsed	\$ 660,000 84

Comments

This vote was provided for the payment of allowances awarded under authority of the War Veterans' Allowance Act, Chap. 48, 1930, as amended by Chap. 48, 1936 and Chap. 16, 1938.

On March 31, 1942, 24,767 allowances were in force as compared with 24,407 on April 1, 1941, an increase of 360. Of the allowances in payment at the end of the year 14,920 were to veterans over sixty years of age; 9,440 were granted the allowance on the grounds that their disabilities and economic handicaps are such that they are not likely to maintain themselves again and 407 were to dependents of deceased veterans.

By virtue of Order-in-Council, P.C. 113/9400, dated December 3, 1941, the normal monthly allowance of \$20 to single persons and \$40 to married persons may be supplemented by \$5 and \$10 respectively in cases where veterans are incapable of augmenting their income. As at March 31, 1942, 1,911 supplementary payments were in issue, of which 759 were in respect of married persons.

Vote 208 Unemployment Assistance	1,100,000 00
Expenditures	408,421 61
Lapsed	\$ 691,578 39

Comments

These expenditures, covering assistance to former members of the Forces who, though in receipt of small pensions, are in necessitous circumstances, are made up as follows: (a) Direct assistance, \$364,525; (b) Payment for clothing distributed by various agencies, \$5,269.04; (c) Wages in lieu of assistance, \$18,627.57.

On March 31, 1942, 3,150 pensioners were in receipt of assistance.

AUDITOR GENERAL'S REPORT

Vote 209 Hospital and Other Allowances	600,000 00
Expenditures	531,137 65
Lapsed	\$ 68,862 35

Comments

On March 31, 1942, 1,191 patients in hospitals were receiving allowances. The rates of allowances are authorized in the treatment regulations of the Department (P.C. 91, January 16, 1936). Commencing at \$45 a month for single men, they increase according to rank and number of dependents of the ex-soldier. Pensions are suspended during periods of hospitalization.

The expenditure includes payments amounting to \$19,140.67 for clothing and comforts provided to patients who, although eligible to receive treatment, are limited to this form of allowance.

Services to Veterans and Dependents

Vote 210 Care of Patients	2,923,028 00
Expenditures	2,710,618 48
Lapsed	\$ 212,409 52

	Estimates details	Allotments authorized	Expenditures
A Salaries	2,058,028 00	2,587,028 00	2,585,996 63
B Telephones, Telegrams and Postage	15,000 00	18,700 00	18,229 11
C Equipment	75,000 00	155,000 00	154,680 95
D Proportion of Operating Costs—Canadian National Institute for the Blind	5,000 00	5,020 00	5,017 36
E Lands and Buildings	65,000 00	133,000 00	132,060 84
F Sundries	90,000 00	158,000 00	157,538 23
G Wages of Poppy Makers	20,000 00	32,000 00	31,961 76
H Professional and Special Services	500,000 00	111,280 00	11,587 13
I Rents	500 00	500 00	423 25
J Materials and Supplies	879,500 00	1,279,500 00	1,200,877 44
K Freight, Cartage and Express	20,000 00	35,000 00	34,753 00
L Transportation and Travelling Expenses..	45,000 00	35,000 00	31,450 58
	3,773,028 00	4,550,028 00	4,364,576 28
M Less estimated amount recoverable for treatment of the Defence Forces and the Royal Canadian Mounted Police..	850,000 00	1,627,000 00	1,653,957 80
	<u>\$2,923,028 00</u>	<u>\$2,923,028 00</u>	<u>\$2,710,618 48</u>

Comments

This vote covers operating expenses of eight Departmental hospitals and payments to other hospitals for maintenance of patients; medical and dental fees; manufacturing expenses and purchases of orthopaedic appliances and funeral expenses.

Treatment facilities extended to other than ex-members of the Canadian Expeditionary Force are on a repayment basis.

A As of March 31, 1942, there were 1,976 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. R. Millar, Director of Medical Services, \$7,000; J. D. Adamson, \$2,400; G. C. Anglin, \$4,080; R. H. Angrove, \$4,620; C. H. Archibald, \$4,620 (Sept. 5); A. H. Armitage, \$2,400; E. C. Armstrong, \$3,120 (on military leave from June 26); W. F. Arthur, \$3,240; F. A. Aylesworth, \$3,000; W. Baillie, \$4,080; T. D. Bain, \$5,220; C. E. Baker, \$2,400; W. W. Barraclough, \$2,400; C. A. Bell, \$4,620; F. C. Bell, \$4,080;

A. Bernier, \$2,400; G. A. Black, \$3,120 (on military leave from June 3); C. F. Blackler, \$3,540 (Dec. 19. See also Vote 225); D. R. Blake, \$3,000; F. W. Blakeman, \$4,620 (March 11); W. J. Blakeney, \$3,540; C. S. Boccus, \$3,000; H. H. Boyd, \$3,000; J. P. Brannen, \$4,920; E. S. Bridges, \$2,500 (Jan. 1. See also Vote 204); H. J. Bright, \$3,000; W. J. Brown, \$3,000; W. F. Briggs, \$3,000; J. R. Byers, \$3,000 (Oct. 1); D. A. Campbell, \$2,400; D. M. Campbell, \$4,620; F. T. Campbell, \$3,000; J. A. M. Campbell, \$4,080; J. G. Campbell, \$2,400; M. A. Carmichael, \$4,260; M. J. Carney, \$2,400; L. F. Carter, \$2,400; T. A. Carson \$5,220; R. W. J. Carveth, \$3,540; G. Casgrain, \$3,000 (June 1); J. P. S. Cathcart, \$5,500; A. L. Chambers, \$3,120 (on military leave from June 20); C. E. C. Cole, \$3,600; H. A. Collins, \$3,240; R. V. Connors, \$2,400; E. B. Convery, \$3,900; T. E. Corbett, \$2,400 (May 23); J. T. Cortice, \$3,600; N. B. Coward, \$2,400 (May 1); E. J. Cram, \$3,000; H. Crassweller, \$3,000; D. S. Creighton, \$4,120; W. Creighton, \$3,420; A. Croll, \$3,000; R. P. Cromarty, \$3,420; W. D. S. Cross, \$4,080; B. Cuddihy, \$3,000; W. A. Curry, \$2,400; G. M. Dale, \$4,620; V. D. Davidson, \$3,300; G. C. Draeske, \$3,000; J. H. Duff, \$3,540; W. F. Dunn, \$4,080; F. Eason, \$2,400; W. M. Ecclestone, \$4,080; F. J. Ellis, \$3,240; F. Etherington, \$2,700; E. T. Etsell, \$2,400; D. G. Findlay, \$3,540; D. R. Finlayson, \$3,540; S. M. Fisher, \$2,700; T. W. Fisher, \$2,400; W. A. Gardner, \$2,400; J. A. Gunn, \$2,400; F. Harris, \$2,400; L. C. Harris, \$4,120; S. Harvey, \$2,400; R. T. Hayes, \$2,400; C. Hazlett, \$2,820; H. H. Hepburn, \$2,400; J. D. Hermann, \$3,540; C. U. Holmes, \$4,080; B. H. Hopkins, \$3,420; W. K. House, \$3,000 (Oct. 1); K. O. Hutchison, \$2,400; H. L. Jackes, \$3,000; R. A. Jamieson, \$3,600; H. H. Johnson, \$4,080; S. R. Johnston, \$2,400; K. B. Johnstone, \$2,400; J. H. Jones, \$4,080; W. W. Kennedy, \$3,000; E. E. Kent, \$3,540 (June 1); L. W. Kergin, \$2,400; J. C. Kovach, \$3,000; R. G. Laidlaw, \$3,000; W. Lalonde, \$4,080; J. L. Lamont, \$3,540; J. C. Lanthier, \$3,000; E. E. Latta, \$4,080; A. T. Leatherbarrow, \$3,540; E. Lemieux, \$4,080 (Aug. 3); W. Leslie, \$4,080 (Nov. 1); O. J. S. Little, \$4,260; A. F. Macauley, \$5,500; F. H. MacKay, \$3,000; C. MacLeod, \$4,260; F. A. MacNeil, \$2,700; D. G. MacQueen, \$3,540; E. Mallette, \$4,080; J. M. F. Malone, \$2,400; H. E. Mann, \$2,400; H. W. Martin, \$2,400; E. G. Mason, \$2,700; F. H. Mayhood, \$4,080; J. S. McCallum, \$4,080; H. J. McCann, \$3,540; A. M. McCormick, \$4,620; J. M. McEachern, \$2,400; H. L. McInally, \$3,540; F. B. McIntosh, \$3,540; H. H. McIntosh, \$2,400; D. J. McKay, \$4,080; V. N. McKay, \$3,000; C. S. McKee, \$2,400; S. H. McKee, \$3,000; K. A. McKenzie, \$3,000; W. J. McLean, \$4,440; J. C. McLelland, \$2,400; G. J. McMurty, \$2,400; M. McQuitty, \$4,080; A. A. McRae, \$3,540; T. Melling, \$3,000 (May 1); A. E. Mewhiney, \$2,400; J. D. Mills, \$4,620; J. K. Mulloy, \$3,540; A. Munroe, \$3,600; P. Nase, \$2,400 (Feb. 8); H. K. Neilson, \$3,000; J. R. W. Nicholson, \$3,000; W. F. Nicholson, \$2,400; A. C. Norwich, \$4,080; F. X. O'Connor, \$2,400; A. Ouimet, \$3,540; F. Overholt, \$4,620; A. W. Park, \$4,620; E. Patenaude, \$3,540; H. E. Paul, \$2,400 (Nov. 8); M. G. Peever, \$3,300; R. Pentecost, \$3,600; W. J. Perreault, \$2,880; C. A. Peters, \$2,700; C. P. Paterson, \$3,540; L. L. Plouffe, \$3,900; W. S. Quint, \$2,400; J. Rankine, \$4,080; C. R. Rice, \$2,400; R. C. Rider, \$3,000; E. F. Risdon, \$2,400; J. B. Ritchie, \$3,000; D. E. Robertson, \$2,400; S. S. Robinson, \$2,400; K. F. Rogers, \$3,120; S. O. Rogers, \$4,260; C. H. Ross, \$2,640; A. B. Schinbein, \$3,420; W. Scott, \$2,400; J. M. Shapley, \$3,000; N. S. Shenstone, \$2,400; R. N. W. Shillington, \$4,080; A. E. Shore, \$3,000; M. W. M. Sloane, \$3,000; F. Smith, \$2,400; R. W. Stephens, \$3,540; R. S. Stevens, \$3,000; H. Stevenson, \$2,520; J. M. Stewart, \$4,080; R. H. Stoddard, \$2,400; N. C. Sully, \$4,080; C. G. Sutherland, \$3,000; J. W. Sutherland, \$4,080; A. R. Taylor, \$4,620; C. A. Taylor, \$4,500; R. A. Thomas, \$4,260; R. D. Thompson, \$3,240; F. Trampe, \$2,400; A. Turnbull, \$4,080; W. L. Turnbull, \$3,540; W. L. Valens, \$3,540; S. Y. Walsh, \$2,400; P. Weatherbee, \$3,000 (Oct. 1); G. W. Whyte, \$3,720; A. L. Wilkie, \$3,000; H. J. Williamson, \$4,620, living allowance, \$300; D. D. Wilson, \$4,620; R. Wilson, \$3,000; W. A. Wilson, \$3,000; W. W. Wright, \$3,000; A. M. Yeates, \$4,080; C. A. Young, \$3,000; F. A. Young, \$3,000; G. F. Young, \$3,540.

B This comprises Telephones, \$12,007.44; Telegrams, \$2,240.46 and Postage, \$3,981.21.

C Payments of \$5,000 or over were made as follows: General Steel Wares, \$3,648.43; J.F. Hartz Co. Ltd., \$6,521.56; Kelvinator of Canada, Ltd., \$6,052.14; Moffats Ltd., \$6,549.37; Northern Electric Co. Ltd., \$5,111.69; Geo. R. Prowse, \$6,614.80; Wrought Iron Range Co., \$12,024.35.

D Contributions to the Canadian National Institute for the Blind for services rendered to blind pensioners. This is in addition to the grant of \$18,000,000 shown under Vote No. 232.

E Building supplies, etc., used for maintenance and repairs to hospital buildings. Includes payments for wages, \$14,994.93 and accounts of J. B. D'Aoust, \$17,597.08.

F Classification of this expenditure is as follows: Light and Power, \$52,088.16; water rates, \$25,367.25; laundry, \$55,902.67; purchase of poppies, \$5,592.65; pay of guards, \$6,613.55; miscellaneous, \$11,973.95. Payments of \$5,000 or over were made to: Alberta Laundry Ltd., Calgary, \$5,537.30; B. C. Electric Railway Co. Ltd., \$7,620.77; Canadian Corps of Commissionaires, \$6,613.55; Hydro Electric Power Commission, London, \$5,895.48; Municipality of Ste. Anne de Bellevue, \$22,650.48; New Ungars Laundry Ltd., Halifax, \$12,888.66; Nova Scotia Light, Heat and Power Co. Ltd., \$6,861.98; Parisian Laundry Co. of Toronto Ltd., \$19,903.26; Peerless Laundry Ltd., Winnipeg, \$9,632.42; Red Cross Workshops Victoria, (poppies) \$5,592.65; Toronto Hydro Electric System, \$6,073.90.

H The gross expenditure against this allotment amounted to \$1,093,839.67, the net amount of \$11,587.13 being arrived at by deducting receipts amounting to \$1,082,252.54. The source of these receipts which comprise reimbursements to the Department for hospital maintenance, drugs and other services, was as follows: Air Force Services, \$797,388.24; Department of Justice, \$8,147.86; Department of Mines and Resources, \$55,181.99; National Defence, \$70,220.99. Other Federal Government Departments, \$30,528.86; British and Foreign Governments, \$69,191.57; Workmen's Compensation Boards, \$12,272.85; Miscellaneous, \$39,320.18.

This allotment is for the purpose of providing treatment for patients in other than departmental hospitals and clinics, and by other than officials of the department. Following is a classification of the expenditures:—

(a) Hospital Maintenance	786,433 83
(b) Dental Services	42,276 60
(c) Medical Services	131,755 77
(d) Nursing Services	13,079 81
(e) Funerals and Grave Markers	70,867 45
(f) Alcohol	17,582 43
(g) X-Ray Supplies	21,250 63
(h) Miscellaneous	10,593 15

\$1,093,839 67

Payments of \$5,000 or over were made as follows: Alexandra Hospital, Montreal, \$19,053.50; Battleford Mental Hospital, \$12,223.52; Brandon General Hospital, \$29,736.25; Brant Sanatorium, Brantford, \$7,495; Canadian Kodak Sales, Toronto, \$21,250.63; Central Alberta Sanatorium, Calgary, \$12,425.16; Charlottetown Provincial Sanatorium, \$7,646.97; City of Calgary Hospital, \$8,321.15; Enfant-Jesus Hospital, Quebec, \$6,811; Essondale Provincial Mental Hospital, Essondale, \$43,746.10; Fort Qu'Appelle Sanatorium, \$5,543.10; Gooderham & Worts, Toronto, \$14,387.71; Hamilton General Hospital, \$5,927.20; Hotel Dieu Hospital, Kingston, \$5,325; Kingston General Hospital, \$16,353.75; McIntosh Granite Co. Ltd., \$5,882.72; Moncton Hospital, \$5,708.50; Montreal General Hospital, \$5,441.39; Moose Jaw General Hospital, \$5,181.85; Mountain Sanatorium, Hamilton, \$26,543; Nova Scotia Hospital, Dartmouth, \$21,658.66; Nova Scotia Sanatorium, Kentville, \$15,447.50; Ottawa Civic Hospital, \$34,735.14; Ponoka Provincial Mental Hospital, \$16,098.98; Queen Alexandra Sanatorium, London, \$14,665.50; Regina General Hospital, \$14,881.95; Riverdale Isolation Hospital, Toronto, \$15,665.25; Royal Alexandra Hospital, Edmonton, \$10,287; Royal Jubilee Hospital, Victoria, \$7,184.60; Royal Victoria Hospital, Montreal, \$32,898.01; St. John General Hospital, \$7,861.35; St. John Tuberculosis Hospital, \$9,394.72; St. Joseph's Hospital, Victoria, \$11,657.10; St. Raphael's Hospital, Vancouver, \$10,391.68; Saskatoon City Hospital, \$9,428.25; Selkirk Mental Hospital, \$16,176.97; Tranquille Sanatorium, \$7,296.86; Treasury of the United States, \$31,074.02; University of Alberta Hospital, Edmonton, \$58,188; Weyburn Mental Hospital, \$10,249.69; Winnipeg General Hospital, \$26,462.25; Winnipeg Municipal Hospital, \$12,965.

Payments of \$1,000 or over covering medical and dental fees were made as follows: Allen & Pollaston, Ltd., \$4,918.05; R. Benoit, Montreal, \$1,470; H. E. Britton, Moncton, \$1,992.50; J. Ewart Campbell, Vancouver, \$2,166.28; Dauphin Medical Clinic, \$1,577.50; J. M. Dickie, Ottawa, \$1,687; Lee Elliott, St. Thomas, \$1,105; J. H. Forrester, Belleville, \$3,155; Carl E. Hill, Lansing, \$1,182.37; J. P. Lantz, Charlottetown, \$1,197.50; T. M. Leask, Moose Jaw, \$2,393.50; W. T. Lockhart, Vancouver, \$1,506.86; H. O. McDiarmid, Brandon, \$1,847.16; McGregor Clinic, Hamilton, \$3,196; R. Michaud, Moose Jaw, \$1,122.50; A. G. Morris, London, \$1,240.75; A. H. Pirie, Baie D'urfc, \$1,040; Saskatchewan Anti-Tuberculosis League, Regina, \$1,477.50; T. J. Simpson, Collingwood, \$1,323; G. E. Tanner, Midland, \$1,464; I. Wilson, London, \$2,737.50; H. M. Young, Iroquois Falls, \$1,173.

J The gross expenditure against this allotment amounted to \$1,559,337.31, the net figure of \$1,200,877.44 being reached by deducting miscellaneous receipts of \$17,748.79 and a transfer from a War Appropriation allotment of \$340,711.08 covering purchase of reserve stores. A classification of the expenditure follows:—

(a) Food	577,439 03
(b) Fuel	126,398 53
(c) Hospital Equipment	404,622 12
(d) Medical and Surgical Supplies	184,752 29
(e) X-Ray Supplies and Equipment	64,399 40
(f) Orthopaedic Supplies	79,160 52
(g) Poppy Supplies	29,818 73
(h) Miscellaneous	92,746 69
	<hr/>
	\$1,559,337 31
	<hr/>

Payments of \$5,000 or over were made as follows:—

Food.—H. E. Burgess & Co., Halifax, \$7,827.49; Canada & Dominion Sugar Co., \$7,090.11; Canada Packers Ltd., \$32,667.29; R. B. Caldwell, Ltd., Halifax, \$10,967.98; Co-operative Milk Co., Calgary, \$5,173.29; F. Calderone, Toronto, \$6,457.26; Canadian Cannery Ltd., \$30,304.59; Elliott Marr & Co., London, \$12,582.75; Harbour Produce Co., Montreal, \$5,397.07; Highland Dairies, Toronto, \$24,677.08; Luxuria Tea Co., Toronto, \$20,422.84; C. A. Mann Co., London, \$5,839.52; Maple Grove Dairy, London, \$17,625.90; Modern Dairies, Winnipeg, \$8,095.75; National Grocers Co., \$13,222.89; Nickerson & Crease, Halifax, \$5,498.03; Pacific Meat Co. Ltd., Vancouver, \$7,149.15; Point Claire Farm, \$20,655.80; Porter & Black, Toronto, \$8,603.85; A. J. Robert, Montreal, \$10,569.64; Cliff Robinson & Son, London, \$12,613.57; Silversteins, London, \$5,318.54; Silverwood Dairies, London, \$13,387.89; Swift Canadian Co., \$11,137.72; Whyte Packing Co., \$27,639.49; John Wickson, \$26,860.48; Wilsil Ltd., \$11,382.39.

Fuel.—Armdale Coal Co., Halifax, \$12,627.18; Canadian Import Co., Montreal, \$42,248.20; Conger Lehigh Coal Co., Toronto, \$5,248.67; Dominion Coal Co., Toronto, \$24,706.18; Thomas Jackson & Son, Winnipeg, \$7,997.80; Elias Rogers & Co., Toronto, \$18,224.85.

Hospital Equipment.—Canadian Converters Co. Ltd., (clothing) \$11,231.23; Canadian Feather Mattress Co. Ltd., \$11,326.48; Cassiday's Ltd., (dishes) \$7,527.81; Dominion Fabrics Ltd., \$6,199.67; Dominion Textile Co., Ltd., \$39,206.21; T. Eaton Co. Ltd., (clothing) \$17,148.37; Horn Bros. (woollens), \$54,988.49; St. Louis Bedding Co. Ltd., \$8,525; Simmons Ltd., \$12,687.45; Sovereign Potters, Ltd., \$12,143.86; W. W. Veitch (bedding), \$43,508.52.

Medical and Surgical Supplies.—Bauer & Black, \$5,054.90; Connaught Laboratories, \$7,722.99; J. F. Hartz Co. Ltd., \$7,243.97; Ingram & Bell Ltd., \$8,312.58; Johnson & Johnson Ltd., \$29,681.14; Mallinckrodt Chemical Works Ltd., \$7,904.46; Parke Davis & Co., \$5,705.65.

X-Ray Supplies.—Canadian Kodak Sales Ltd., \$63,214.30.

Orthopaedic Supplies.—Davis Leather Co. Ltd., Newmarket, \$5,285.58; Wm. Hood, Vittoria (stump sox), \$14,371.63.

Poppy Supplies.—Dale Estate Ltd., Brampton, \$5,454.26; Vetract Industries, Montreal, \$6,983.51.

Miscellaneous.—King's Printer account, \$16,887.60.

K Includes payments to the Canadian National Railways, \$23,898.07; Canadian Pacific Railway, \$6,782.15.

L This comprises transportation and travel of patients and escorts, \$16,867.39; staff, \$10,862.54; ambulance and taxi hire, \$3,646.40; transportation of the blind, \$74.25. Travelling expenses exceeding \$300 were paid as follows: A. Bernier, \$533.40; E. B. Convery, \$336.82; A. F. Macauley, \$425.76; A. Warmley, \$346.44.

M The credit of \$1,653,957.80 represents revenue received from the following sources: Recoveries from War Appropriation for treatment services, C.A.S.F. and R.C.M.P., \$1,519,085.15; recoveries of treatment services to Sick Mariners, Class 4 Treatment Cases C.E.F., etc., \$50,004.61; poppy sales, \$72,640.60; meals sold, \$8,780.53; miscellaneous, \$3,446.91.

Audit Notes

H The credit of \$1,082,252.54 to allotment H—Professional and Special Services—for repayment of treatment services rendered by the Department has the effect of presenting an erroneous picture of the expenditure under this item: Approximately half of this amount covers maintenance provided in departmental hospitals and charges for drugs, and other items, no part of which was originally charged against this allotment, the cost of these services having been originally charged to allotments for salaries, supplies, etc. The expenditures for other than recoverable items amounted to \$561,316.71, which is within approximately 11 per cent of the amount shown in the details of the estimates. The accounting procedure current during the year 1941-42 is being varied to enable the presentation of expenditure figures more closely related to objects of expenditure.

Vote 211 Veterans' Bureau	171,780 00
Expenditures	154,296 53
Lapsed	\$ 17,483 47

	Estimates details	Allotments authorized	Expenditures
A Salaries	164,430 00	164,430 00	149,479 07
B Telephones, Telegrams and Postage	3,000 00	3,000 00	2,066 89
C Equipment	100 00	100 00	19 10
D Sundries	500 00	500 00	191 46
E Professional and Special Services	500 00	500 00	
F Materials and Supplies	50 00	50 00	
G Freight, Cartage and Express	200 00	200 00	87 86
H Transportation and Travelling Expenses..	3,000 00	3,000 00	2,452 15
	\$ 171,780 00	\$ 171,780 00	\$ 154,296 53

Comments

This vote was provided for the expenses arising from the operation of the Veterans' Bureau, a branch of the Department constituted by authority of the Pension Act, Chap. 35, 1930, for the purposes of assisting applicants in the preparation and presentation of applications for pensions.

A As of March 41, 1942, there were 95 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: H. Aird, \$2,400; F. L. Barrow, \$3,720; E. C. Bridges, \$3,120; B. E. Courtney, \$2,400; W. Drinnan, \$3,720; R. Dupuis, \$3,000; W. R. Henry, \$2,400; L. A. Masterman, \$2,880; J. A. MacIsaac, \$3,720; R. H. Neil, \$3,000; B. W. Russell, \$3,720; M. A. Searle, \$3,120; G. H. Sedger, \$2,400; C. Y. Steele, \$3,000; S. Stephens, \$2,400; A. Wakelyn, \$2,400; E. V. Wilson, \$3,600.

H Travelling expenses in excess of \$300 were paid as follows: J. D. Dupuis, \$527.22; P. R. Potter, \$382.80.

Vote 212 Employers' Liability Compensation	50,000 00
Expenditures	40,096 72
Lapsed	\$ 9,903 28

Comments

Order in Council P.C. 4638, dated June 25, 1941, authorized reimbursements to Workmen's Compensation Boards or employers for expenses incurred in cases involving industrial accidents incurred by pensioners. "Pensioner" is defined as one in receipt of a disability pension of not less than 25 per cent nor more than 79 per cent. Outlays for medical aid and compensation are reimbursed with the proviso that any compensation paid which, when added to the pension actually in issue, exceeds the amount of pension payable if the pensioner were in receipt of 100 per cent pension, is not to be reimbursed.

The expenditure covers 624 claims, classified as follows: Medical Aid, \$11,585.33; compensation for disabilities, \$28,511.39.

Reimbursements to Workmen's Compensation Boards were made as follows: Nova Scotia, \$2,557.80; Quebec, \$717.35; Ontario, \$18,361.32; Manitoba, \$4,096.58; Saskatchewan, \$3,134.63; Alberta, \$4,273.33; British Columbia, \$3,093.66. Payments were also made to Canadian National Railways, \$1,836.81; Canadian Pacific Railway, \$1,552.31.

Audit Note

A payment of \$164.00 to the Workmen's Compensation Board, Province of Ontario, covering administrative costs is not properly chargeable to this vote. Arrangements are being made to effect refund, which will appear in the 1942-43 accounts.

Vote 213	Grant to the Last Post Fund	\$ 85,000 00
Vote 214	Grant to Canadian Legion	\$ 9,000 00

Comments

The Government contribution is limited to 50 per cent of the actual expenses of the Canadian Legion, with a maximum contribution of \$9,000 in the fiscal year.

The expenditures for the year, supported by statements audited by a firm of chartered accountants, amounted to \$23,643.66.

Vote 503	Veterans' Welfare Division	8,370 00
Vote 433	Further Amount Required	80,390 00
		88,760 00
	Expenditures	81,107 60
	Lapsed	\$ 7,652 40

	Estimates details	Allotments authorized	Expenditures
Salaries	69,870 00	69,870 00	66,218 69
Telephones, Telegrams and Postage	2,200 00	2,400 00	2,298 13
Equipment	550 00	550 00	473 92
Sundries	1,000 00	1,000 00	993 17
Special Placement Services	5,500 00	5,500 00	3,146 55
Materials and Supplies	1,640 00	1,640 00	1,492 84
Transportation and Travelling Expenses....	8,000 00	7,800 00	6,484 30
	\$ 88,760 00	\$ 88,760 00	\$ 81,107 60

Comments

As of March 31, 1942, there were 51 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. H. Barnett, \$2,640; S. L. Bedson, \$2,400 (Aug. 1); H. M. Bell, \$3,000; B. Dawson, \$3,600; O. E. Elliott, \$3,600; L. Ferland, \$2,640; J. T. E. Gagnon, \$3,600; R. G. Goldston, \$2,640; T. F. Hamilton, \$2,640; L. H. Mackenzie, \$2,640; A. McFarlane, \$2,640; W. R. McLaren, \$2,640; H. Parry, \$3,000; J. A. Paul, \$2,640; G. L. Rosser, \$2,640; W. G. Rumball, \$3,000; R. Thompson, \$2,400 (Aug. 1); W. C. Tyrell, \$2,640; A. M. Wright, \$4,920.

Includes payments to the "War Amputations of Canada" covering reimbursement for payments to R. Hodgson, Placement Officer, for salary and living allowance—\$2,499.99 and travelling expenses, \$646.56.

AUDITOR GENERAL'S REPORT

G Travelling expenses (other than transportation obtained through the purchase of warrants) in excess of \$300 were paid as follows: L. Ferland, \$420.52; G. M. Weir, \$351.45; W. S. Woods, \$1,131.22.

HEALTH BRANCH

Vote 215 Health Branch Administration	49,570 00
Expenditures	45,804 91
Lapsed	\$ 3,765 09

	Estimates details	Allotments authorized	Expenditures
A Salaries	33,570 00	33,570 00	31,375 69
B Advertising and Publicity	10,000 00	10,000 00	9,252 04
C Telephones, Telegrams and Postage	200 00	200 00	140 00
D Equipment	500 00	500 00	171 76
E Sundries	600 00	300 00	141 25
F Materials and Supplies	2,000 00	1,750 00	1,491 14
G Freight, Cartage and Express	200 00	750 00	740 05
H Transportation and Travelling Expenses..	2,500 00	2,500 00	2,492 98
	<u>\$ 49,570 00</u>	<u>\$ 49,570 00</u>	<u>\$ 45,804 91</u>

Comments

- A As of March 31, 1942, there were 23 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. J. Heagerty, Director of Public Health Services, \$5,940; E. B. Davies, \$2,400; F. W. Rowse, \$2,880 (on military leave from Nov. 17).
- B Includes \$3,588.55 for publications of booklet "National Health Review" and \$1,363.85 for booklet "The Canadian Mother and Child," (See also vote No. 222 where \$8,600 is charged for this publication.)
- F Includes payment to the King's Printer for printing and stationery, \$1,420.20.
- H Travelling expenses of \$300 or over were paid as follows: H. D. Smith, \$337.62.

Audit Note

- A One employee was overpaid \$100.80 which was not recovered, according to the records of the Central Pay Office.

Vote 216 Food and Drugs	172,690 00
Expenditures	172,320 14
Lapsed	\$ 369 86

	Estimates details	Allotments authorized	Expenditures
A Salaries	147,690 00	149,490 00	149,451 38
B Telephones, Telegrams and Postage	2,000 00	2,050 00	2,025 51
C Equipment	2,000 00	1,800 00	1,791 11
D Sundries	3,000 00	2,250 00	2,247 73
E Professional and Special Services	1,000 00	765 00	764 20
F Materials and Supplies	4,500 00	4,200 00	4,028 49
G Freight, Cartage and Express	500 00	450 00	438 68
H Transportation and Travelling Expenses ..	12,000 00	11,685 00	11,573 04
	<u>\$ 172,690 00</u>	<u>\$ 172,690 00</u>	<u>\$ 172,320 14</u>

Comments

This vote was provided for the administration of the Food and Drugs Act, designed for the protection of the purchasing consumer by preventing or prohibiting adulteration and misrepresentation in the sale of foods and drugs. Laboratories are located in Halifax, Montreal, Ottawa, Toronto and Vancouver, with inspectors at these and other strategic points.

A As of March 31, 1942, there were 70 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): F. E. Artlett, \$3,180; J. F. Blanchard, \$2,700; F. C. Collier, \$3,300; A. P. Couture, \$3,660; A. L. Davidson, \$3,180; W. A. Davidson, \$3,660; J. Dick, \$3,300; H. R. L. Hart, \$2,820; W. H. Hill, \$3,660; P. E. Jean, \$2,700; L. E. Johnson, \$2,700; W. V. Kitto, \$3,300 (July 1); H. M. Lancaster, \$5,220; H. O. Tomlinson, \$2,700; J. G. A. Valin, \$4,620; H. A. Watson, \$3,300; R. D. Whitmore, \$4,140; E. F. Whyte, \$2,700.

D Includes purchase of samples, \$2,025.62.

F Includes payment to the King's Printer for printing and stationery, \$1,576.89.

H Travelling expenses of \$300 or over were paid as follows: C. E. Abrams, \$1,009.06; W. A. Cooke, \$806.33; J. Cullen, \$1,059.75; J. E. Dixon, \$467.75; H. G. Hibbs, \$576.69; J. L. Hollinshead, \$876.90; A. S. Horswill, \$767.74; E. L. Hughes, \$556.83; F. A. Kirby, \$1,068.19; H. M. Lancaster, \$342.72; J. D. MacDonald, \$395.05; J. A. Martin, \$481.87; J. St. Onge, \$452.23; T. Stewart, \$407.03; E. B. Thurlow, \$537.13.

Audit Note

This vote was credited with \$2,611, covering fees, charged to War Appropriation, for analyzing 373 samples. This credit is more properly a revenue item.

Vote 217 Opium and Narcotic Drugs	61,065 00
Expenditures	59,159 03
Lapsed	\$ 1,905 97

	Estimates details	Allotments authorized	Expenditures
Salaries	33,915 00	32,515 00	31,669 74
Telephones, Telegrams and Postage	100 00	250 00	207 59
Equipment	100 00	100 00	66 15
Sundries	300 00	100 00	64 16
Professional and Special Services	20,000 00	23,800 00	23,021 37
Materials and Supplies	1,050 00	1,100 00	1,081 58
Transportation and Travelling Expenses ..	5,600 00	3,200 00	3,048 44
	\$ 61,065 00	\$ 61,065 00	\$ 59,159 03

Comments

This vote was provided for the administration of the Opium and Narcotic Drugs Act respecting the control of legal and illegal sale of narcotics in Canada.

As of March 31, 1942, there were 17 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): K. C. Hossick, \$3,720; D. C. Nairn, \$3,000 (May 22); C. H. L. Sharman, \$4,500.

This covers legal services in connection with prosecutions under this Act; payments exceeding \$1,000 were made to Bernard Bourdon, Montreal, \$1,035.55; Dugald Donaghy, Vancouver, \$3,695.60; J. C. M. German, Toronto, \$5,351.69; C. K. Guild, Winnipeg, \$1,369.61; D. J. McAlpine, Vancouver, \$1,522.50; A. M. Shinbane, Winnipeg, \$3,202.09.

Travelling expenses of \$300 and over: F. W. Fleming, \$1,091.15; R. C. Hammond, \$866.80; C. H. L. Sharman, \$888.49.

Vote 218 Proprietary or Patent Medicines	14,890 00
Vote 420 Cost of Living Bonus—Supplement	533 41
	15,423 41
Expenditures	15,030 29
Lapsed	\$ 393 12

	Estimates details	Allotments authorized	Expenditures
A Salaries	12,105 00	12,888 41	12,888 41
B Sundries	100 00	100 00	6 86
C Professional and Special Services	2,000 00	1,950 00	1,885 00
D Materials and Supplies	485 00	485 00	250 02
E Transportation and Travelling	200 00		
	\$ 14,890 00	\$ 15,423 41	\$ 15,030 29

Comments

This vote was provided for the administration of "The Proprietary or Patent Medicine Act" which requires that patent medicines be registered with the Department and that licences for the sale thereof, when formulae, labelling, etc., meet Departmental requirements, be issued annually.

A As of March 31, 1942, there were 7 employees paid from this vote. The following was receiving an annual salary of \$2,400 or over on that date: L. P. Teevens, \$4,080.

Vote 219 Quarantine and Leprosy including contribution of \$1,500 to the International Bureau of Public Health	148,580 00
Expenditures	145,501 39
Lapsed	\$ 3,078 61

	Estimates details	Allotments authorized	Expenditures
A Salaries	113,080 00	114,480 00	114,440 19
B Telephones, Telegrams and Postage	2,500 00	1,750 00	1,595 75
C Equipment	7,500 00	8,300 00	7,923 35
D Contribution to the International Bureau of Public Health	1,500 00	1,500 00	
E Lands and Buildings		500 00	71 08
F Sundries	2,500 00	2,450 00	2,322 21
G Professional and Special	2,000 00	1,600 00	1,434 30
H Materials and Supplies	15,000 00	15,500 00	15,337 59
I Freight, Cartage and Express	50 00	800 00	692 26
J Transportation and Travelling Expenses ..	4,000 00	1,700 00	1,684 66
	\$ 148,580 00	\$ 148,580 00	\$ 145,501 39

Comments

This vote was provided for (a) Administration of the Quarantine Act designed and operated for the purpose of preventing the entry of infectious diseases into Canada. Quarantine stations are operated at the principal Canadian ports. (b) Administration of the Leprosy Act under which hospitals for treatment to lepers are operated at Tracadie, N.B., and at Bentinck Is., B.C.

A As of March 31, 1942, there were 59 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: C. P. Brown, \$5,220; C. Cartwright, \$4,080; J. D. Chretien, \$4,080; G. F. Elliot, \$3,480; P. E. Fiset, \$3,240; J. Gale, \$2,400; R. B. Jenkins, \$4,620 (allowance, house, fuel and light, valued at \$600); G. E. Maddison, \$3,540; J. B. Peloquin, \$3,480; Rev. Mother Savoie, \$3,000; F. L. Sparks, \$3,540.

J Travelling expenses in excess of \$300 were paid to J. D. Chretien, \$302.97.

Vote 220	Laboratory of Hygiene	118,390 00
	Expenditures	115,559 67
	Lapsed	\$ 2,830 33

	Estimates details	Allotments authorized	Expenditures
A Salaries	80,390 00	80,390 00	79,000 10
B Equipment	5,000 00	5,250 00	5,236 45
C Sundries including Fees	8,500 00	8,000 00	7,901 07
D Materials and Supplies	16,000 00	19,000 00	18,216 60
E Freight, Cartage and Express	2,500 00	1,450 00	1,422 53
F Transportation and Travelling Expenses ..	6,000 00	4,300 00	3,782 92
	\$ 118,390 00	\$ 118,390 00	\$ 115,559 67

Comments

This vote was provided for the maintenance of Laboratory at Ottawa relating to the operation of Part 2 of the Food and Drugs Act concerning the manufacture and sale of biological products such as vaccines, serums and also of potent drugs; bacteriology examination of foods, etc.; and the maintenance of a virological laboratory at Kamloops, B.C.

A As of March 31, 1942, there were 45 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: M. G. Allmark, \$3,240; E. T. Bynoc, \$3,240; G. D. W. Cameron, \$6,000; W. A. Crandall, \$2,400; J. Gibbard, \$4,260; R. J. Gibbons, \$4,620; L. G. H. Herman, \$2,520; F. A. Humphreys, \$3,120; C. A. Morrell, \$4,440; L. I. Pugsley, \$3,240.

C Includes analysis fees as follows: Hospital for Sick Children, Toronto, \$1,500; Macdonald College, McGill University, Montreal, \$3,000; University of Toronto, \$1,500.

F Travelling expenses of \$300 or over were paid as follows: G. D. W. Cameron, \$560.90; A. G. Campbell, \$355.80; Jas. Gibbard, \$594.70; R. J. Gibbons, \$999.84; F. A. Humphreys, \$483.49.

Vote 221	Immigration Medical Inspection	81,495 00
	Expenditures	61,630 59
	Lapsed	\$ 19,864 41

	Estimates details	Allotments authorized	Expenditures
A Salaries	78,985 00	78,985 00	77,352 77
B Telephones, Telegrams and Postage	1,500 00	1,500 00	653 49
C Equipment	8,000 00	8,000 00	7,489 08
D Sundries	5,910 00	5,710 00	3,374 97
E Professional and Special Services	1,000 00	1,000 00	82 35
F Rents	5,000 00	5,000 00	4,048 98
G Materials and Supplies	25,000 00	25,000 00	18,255 23
H Freight, Cartage and Express	100 00	300 00	196 25
I Transportation and Travelling Expenses ..	4,000 00	4,000 00	2,874 02
	129,495 00	129,495 00	114,327 14

Less estimated amount recoverable for treatment for the Canadian Active Service Force in Immigration Hospitals

	48,000 00	48,000 00	52,696 55
	\$ 81,495 00	\$ 81,495 00	\$ 61,630 59

AUDITOR GENERAL'S REPORT

Comments

A As of March 31, 1942, there were 53 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: G. Audet, \$4,080; A. Cantin, \$3,540; J. L. Cock, \$4,080; J. M. Couillard, \$4,080; W. Egan, \$4,080, living allowance, \$250; H. B. Jeffs, \$4,620, living allowance, \$300; H. Laurin, \$4,620; H. D. Reid, \$4,620; A. M. Savoie, \$4,080.

D & F Includes payment for rent and taxes to Sackville Investments Ltd., London, Eng., \$1,252.38; Sun Life Assurance Company, London, Eng., \$2,945.63.

I Dr. G. Audet was paid travelling expenses amounting to \$2,202.19 of which \$1,276.89 represents living expenses in Lisbon, Portugal, from April 1, 1941, to October 18, 1941.

Vote 222 Child and Maternal Hygiene	24,895 00
Expenditures	22,106 18
Lapsed	\$ 2,788 82

	Estimates details	Allotments authorized	Expenditures
A Salaries	11,895 00	11,895 00	10,610 28
B Advertising and Publicity	5,000 00	8,600 00	8,600 00
C Sundries	2,000 00	2,000 00	1,432 92
D Professional and Special Services	4,000 00	400 00	
E Transportation and Travelling Expenses ...	2,000 00	2,000 00	1,462 98
	\$ 24,895 00	\$ 24,895 00	\$ 22,106 18

Comments

A As of March 31, 1942, there were 3 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: E. Couture, \$5,220; M. Johnson, \$3,720.

B Covers the cost of publication of booklet "The Canadian Mother and Child." (See also vote No. 215 where \$1,363.85 is charged for this publication.)

E Travelling expenses of \$300 or over were paid as follows: E. Chassé, \$651.22; E. Couture, \$655.36.

Vote 233 Public Health Engineering	34,920 00
Expenditures	33,368 44
Lapsed	\$ 1,551 56

	Estimates details	Allotments authorized	Expenditures
A Salaries	22,620 00	23,620 00	23,574 47
B Telephones, Telegrams and Postage	800 00	950 00	878 96
C Equipment	500 00	500 00	229 46
D Sundries	2,000 00	2,150 00	2,044 73
E Materials and Supplies	1,000 00	700 00	648 79
F Transportation and Travelling Expenses....	8,000 00	7,000 00	5,992 03
	\$ 34,920 00	\$ 34,920 00	\$ 33,368 44

Comments

This vote was provided for the supervision, as regards the Public Health, of railways, boats and ships and all other methods of transportation; the supervision of federal public buildings relative to health of Government employees; the administration of Public Works

Health Act and the making of sanitary surveys of shellfish areas. The activities of this branch chiefly concern the assurance of safe water and ice supplies, the disposal of sewage and other matters pertaining to sanitation.

A As of March 31, 1942, there were 10 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: F. M. Brickenden, \$2,700; G. H. Ferguson, \$4,500; J. R. Menzies, \$2,700; A. H. Perry, \$2,700.

F Travelling expenses of \$300 or over were paid as follows: Jas. B. Baty, \$342.20; F. M. Brickenden, \$993.56; G. H. Edgecombe, \$1,237.28; W. R. Edmonds, \$447.53; G. H. Ferguson, \$405.35; W. G. McKay, \$708.12; J. R. Menzies, \$632.12; A. H. Perry, \$717.11; S. Whittaker, \$383.05.

Vote 224 Treatment of Sick Mariners 206,470 00

Vote 434 Further amount required 200,000 00

Expenditures 406,470 00
385,070 14

Lapsed \$ 21,399 86

	Estimates details	Allotments authorized	Expenditures
A Salaries	17,920 00	21,720 00	21,607 17
B Telephones, Telegrams and Postage	300 00	650 00	584 29
C Equipment	250 00	2,100 00	1,622 23
D Lands and Buildings	1,000 00	4,000 00	3,411 48
E Sundries	2,500 00	1,700 00	1,578 08
F Professional and Special Services	372,000 00	357,150 00	340,229 36
G Rents		1,800 00	1,690 49
H Materials and Supplies	10,000 00	14,650 00	12,110 01
I Transportation and Travelling Expenses..	2,500 00	2,700 00	2,237 03
	\$ 406,470 00	\$ 406,470 00	\$ 385,070 14

Comments

Part V of the Canada Shipping Act, 1934, which is administered by the Department of Pensions & National Health under authority of Order in Council P.C. 2875, provides for levying tonnage duties on ships arriving at Canadian ports and for gratuitous medical and surgical treatment to sick mariners employed on board and belonging to ships on which such duties have been paid. 32,142 sick mariners were treated during the year, of whom 3,826 required hospitalization.

Note.—Tonnage duties collected during the year amounted to \$400,069.17.

A As of March 31, 1942, there were 24 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: H. A. Creighton, \$2,500; J. W. MacIntosh, \$2,400; J. J. Roy, \$2,500.

F This expenditure includes:—

(a) Hospital Maintenance, \$247,070.70—accounts of \$2,000 and over: Camp Hill Hospital, Halifax, \$5,766; Halifax Infirmary, Halifax, \$57,811.85; Hamilton Memorial Hospital, North Sydney, \$5,032; Hotel Dieu, St. Vallier, \$3,460; Immigration Hospital, Quebec, \$2,991; Jeffrey Hale Hospital, Quebec, \$2,333.55; Lancaster Hospital, St. John, \$3,213; Laurentian Sanatorium, Ste. Agathe des Monts, \$2,592; Montreal Convalescent Hospital, Montreal, \$5,876; Montreal General Hospital, Montreal, \$13,129.10; Nova Scotia Sanatorium, Kentville, \$10,764; Royal Edward Institute, Montreal, \$4,162; Royal Victoria Hospital, Montreal, \$2,767; St. John General Hospital, St. John, \$23,626; St. John Tuberculosis Hospital, St. John, \$2,251.35; St. Joseph's Hospital, Three Rivers, \$3,862.50; Saint Luc Hospital, Montreal, \$21,048; St. Paul's Hospital, Vancouver, \$14,570.05; Sacre Coeur Hospital, Montreal, \$2,316; Sacred Heart Hospital, Cheticamp, \$2,589.50; Sydney Hospital, Sydney, \$25,223.50; Vancouver General Hospital, Vancouver, \$2,441.60.

AUDITOR GENERAL'S REPORT

(b) Payments of medical fees and clinics, \$86,272.21—accounts of \$1,000 and over: L. H. Appleby, Vancouver, \$2,215; G. R. Deveau, Arichat, N.S., \$1,296.25; J. A. Donahoe, Barrington Passage, N.S., \$1,797.05; Joseph Gibbs, Vancouver, \$2,662; H. Carson Graham, North Vancouver, \$1,293.70; Immigration Hospital, Halifax, \$12,315; Lancaster Hospital, St. John, \$1,077; H. E. Mann, Halifax, \$2,678.25; New Brunswick Department of Health, \$1,385; Nova Scotia Department of Health, \$2,020; W. G. J. Poirier, Cheticamp, \$2,205.25; J. H. Remington, Three Rivers, \$4,606.35; St. Luc Hospital, Montreal, \$1,603; Eug. Tremblay, Chicoutimi, \$1,791.50.

(c) Payment of nurses' fees, \$3,681.90.

(d) Miscellaneous, \$3,204.55.

Vote 225 Industrial Hygiene	11,230 00
Expenditures	7,294 99
Lapsed	\$ 3,935 01

	Estimates details	Allotments authorized	Expenditures
A Salaries	9,645 00	9,645 00	6,045 62
B Telephones, Telegrams and Postage	100 00	100 00	34 62
C Equipment	500 00	500 00	405 79
D Sundries	485 00	485 00	463 15
E Transportation and Travelling Expenses ..	500 00	500 00	345 81
	<u>\$ 11,230 00</u>	<u>\$ 11,230 00</u>	<u>\$ 7,294 99</u>

Comments

A As of March 31, 1942, there were 4 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: C. F. Blackler, \$3,540; K. K. Kay, \$3,240.

Vote 226 Medical Investigations	34,810 00
Expenditures	24,007 34
Lapsed	\$ 10,802 66

	Estimates details	Allotments authorized	Expenditures
A Salaries	33,360 00	33,360 00	23,275 68
B Telephones, Telegrams and Postage	50 00	50 00	5 21
C Equipment	100 00	100 00	1 00
D Sundries	200 00	200 00	30
E Professional and Special Services	500 00	500 00	276 33
F Materials and Supplies	300 00	300 00	185 42
G Transportation and Travelling Expenses..	300 00	300 00	263 40
	<u>\$ 34,810 00</u>	<u>\$ 34,810 00</u>	<u>\$ 24,007 34</u>

Comments

These expenditures are in connection with the certification of medical fitness of entrants to the Government Service appointed by the Civil Service Commission; to supervise generally the health of Civil Servants and to carry out special medical investigations and studies relating to health matters.

A As of March 31, 1942, there were 7 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): F. S. Burke, \$5,220; H. T. Douglas, \$4,620; G. Heidman, \$3,720; H. D. Parker, \$3,120 (Apr. 7); M. Parks, \$3,480 (Dec. 20).

Vote 435 Nutrition Services	10,000 00
Expenditures	7,134 46
Lapsed	\$ 2,865 54

	Estimates details	Allotments authorized	Expenditures
A Salaries	6,000 00	6,000 00	4,902 54
B Telephones, Telegrams and Postage	100 00	100 00	35 44
C Equipment	100 00	100 00	5 00
D Materials and Supplies	300 00	300 00	294 69
E Transportation and Travelling Expenses..	3,500 00	3,500 00	1,896 79
	\$ 10,000 00	\$ 10,000 00	\$ 7,134 46

Comments

This vote is provided for educational work regarding food values, choice of foods, etc., in the home, cafeterias, etc., and to make available expert opinion on nutritional subjects to the Department of National War Services.

A As of March 31, 1942, there were 6 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: M. W. Harlow, \$3,120; L. B. Pett, \$4,080.

E Travelling expenses in excess of \$300 were paid as follows: N. Hinton, \$351; A. Jessop, \$335.55; L. B. Pett, \$502.10; J. Skene, \$375.36.

Vote 227 Venereal Diseases	50,000 00
Expenditures	49,408 82
Lapsed	\$ 591 18

Comments

This vote was provided for the purchase of arsenical preparations for distribution to the several Provinces, the Provincial authorities undertaking that there will be no diminution in their activities for the control and prevention of venereal diseases.

Purchases were made as follows: Abbott Laboratories Ltd., Montreal, \$160.66; Merck & Co., Montreal, \$4,622.51; Parke Davis & Co., Walkerville, \$29,015.98; Rougier Frères, Montreal, \$8,108.40; Synthetic Drug Company Ltd., Toronto, \$7,501.27.

These drugs were delivered direct to the Provinces as follows: Nova Scotia, \$549.84; Prince Edward Island, \$93.75; New Brunswick, \$2,241.38; Quebec, \$16,169.31; Ontario, \$18,774.91; Manitoba, \$3,627.31; Saskatchewan, \$2,275.91; Alberta, \$2,411.10; British Columbia, \$3,265.31.

Vote 228 Grants to Institutions assisting Sailors	\$ 2,600 00
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	Estimates details	Expenditures
Navy League of Canada, Halifax	200 00	200 00
Sailors' Institute, North Sydney	200 00	200 00
Navy League of Canada, Sydney	200 00	200 00
Seamen's Mission Society, Saint John	200 00	200 00
Catholic Sailors' Club, Saint John	200 00	200 00
Catholic Sailors' Club, Montreal	200 00	200 00
Catholic Sailors' Club, Hochelaga Branch	200 00	200 00
Montreal Seamen's Institute	200 00	200 00
Montreal Sailors' Hostel	200 00	200 00
Catholic Seamen's Club, Quebec	200 00	200 00
Quebec Seamen's Institute	200 00	200 00
Vancouver Sailors' Home	200 00	200 00
Victoria Seamen's Institute	200 00	200 00
	\$ 2,600 00	\$ 2,600 00

AUDITOR GENERAL'S REPORT

MISCELLANEOUS GRANTS

		Estimates details	Expenditures
Vote 229	Canadian Welfare Council	8,100 00	8,100 00
Vote 230	Canadian National Committee for Mental Hygiene	10,000 00	10,000 00
Vote 231	Health League of Canada	5,000 00	5,000 00
Vote 232	Canadian National Institute for the Blind	18,000 00	18,000 00
Vote 233	L'Association Canadienne Francaise des Aveugles..	4,050 00	4,050 00
Vote 234	L'Institut Nazareth de Montreal	4,050 00	4,050 00
Vote 235	Montreal Association for the Blind.....	4,050 00	4,050 00
Vote 236	Canadian Tuberculosis Association	20,250 00	20,250 00
Vote 237	Victorian Order of Nurses	13,100 00	13,100 00
Vote 238	St. John Ambulance Association	4,050 00	4,050 00
Vote 239	Canadian Red Cross Society	10,000 00	10,000 00
		<u>\$ 100,650 00</u>	<u>\$ 100,650 00</u>

PENSIONS AND OTHER BENEFITS

<i>Vote 240 Pensions payable to men on Active Service, Northwest Rebellion, 1885, and General Pensions</i>	<i>18,000 00</i>
<i>Expenditures</i>	<i>17,593 34</i>
<i>Lapsed</i>	<i>\$ 406 66</i>

Comments

This expenditure is made up as follows: Non-permanent Active Militia, \$13,809.84; Northwest Rebellion, 1885, \$3,507.50; Civil Flying, \$276.00.

Militia Pensions Act, 1901, c. 133, R.S.\$1,648,362 80

Comments

This vote was provided for service pensions to Officers and Men of the Permanent Active Militia, the Royal Canadian Navy and the Permanent Active Air Force.

Note.—Revenue from abatements from Pay and Allowances from Officers appear under details of the National Defence Department.

On March 31, 1942, 1,785 pensions were in issue, of which 233 were in respect of dependents of deceased officers.

*Annuity to Col. John T. C. Thompson—Appropriation Act, No. 3, c. 53,
1939\$ 4,999 92*

SUPERANNUATION AND RETIREMENT BENEFITS

Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.. \$ 4,350 00

POST OFFICE DEPARTMENT

Under authority of the Post Office Act, c. 161, R.S. (as amended), and the Savings Banks Act, c. 15, R.S., the Post Office Department, under the direction of the Postmaster General, is entrusted with the management and operation of the Postal Services of Canada and the Post Office Savings Bank. In addition, the Department also performs certain services of an agency nature, for other departments (without remuneration in some instances); chief among these are the following: postmasters are required to act as Deputy Registrars under the provisions of the National Registration Regulations; payments on Dominion Government annuities are received; unemployment insurance stamps, radio licences, war savings stamps and certificates are sold; mail is examined for the Foreign Exchange Control Board; and supplies of forms, literature, etc., are distributed to the public on behalf of the Department of National Revenue, Income Tax Division and the Wartime Prices and Trade Board.

Post Offices are divided into two main groups, namely, staff offices and revenue offices. The Postmasters and staffs of staff offices are paid from Parliamentary Appropriations whereas the postmasters of revenue offices, and through them their staffs, except letter carriers, are paid on a commission basis by means of commission warrants issued from headquarters at Ottawa, and cashed out of Post Office funds in their hands. Letter carriers are paid from Parliamentary Appropriations in all cases. The various post offices are grouped according to postal districts, each district being under the superintendence of a District Director or Superintendent, controlled from departmental headquarters at Ottawa. District Offices are situated at Halifax, Charlottetown, Saint John, N.B., Quebec, Montreal, Ottawa, Toronto, London, North Bay, Winnipeg, Moose Jaw, Saskatoon, Edmonton, Calgary, and Vancouver.

According to the Departmental and Treasury records, the operations of the Department during the fiscal year 1941-42, resulted in a surplus of \$4,530,479.71, consisting of revenues amounting to \$55,515,636, less statutory and appropriation expenditures, \$41,501,869.04 and disbursements from revenue of \$9,483,287.25. This, however, is only an approximate statement of the results of operations because (i) account is not taken of the revenues and expenditures representing the value of work done and accommodation supplied by the Post Office Department, for other departments, without payment, and vice versa, and (ii) the revenues improperly include the value of excise taxes derived from the sale of postage stamps, etc., for use in respect of imposts under the Special War Revenue Act.

The Post Office Guarantee Fund was established on March 14, 1898, under authority of the Post Office Act (Section 7q), as a safeguard against loss from defalcations. It was built up, in the first instance, from compulsory contributions made by Post Office employees during the period from inception to April 1, 1919; but since that date, the interest credited on the capital amount of the fund has been more than sufficient to meet all known losses. At the commencement of the fiscal year 1941-42, the fund amounted to \$362,690.75; during the year, the interest increment was \$13,618.11, and the net amount of claims paid was \$3,952.50. At the close of the fiscal year, the fund amounted to \$372,356.36; \$275,290.72 was invested in Dominion of Canada bonds (par value \$294,000) and the remainder was on deposit in the Post Office Savings Bank.

REVENUES

	Summary	
	1941-42	1940-41
Ordinary Revenue—		
Postal Revenue	55,477,159 08	48,062,452 91
Casual Revenue	38,392 92	16,872 18
Fines and Forfeitures	84 00	154 00
	55,515,636 00	48,079,479 09
Less: Disbursements	9,483,287 25	7,679,086 46
	<u>\$ 46,032,348 75</u>	<u>\$ 40,400,392 63</u>

The increase in total revenue of \$7,436,156.91 over that of the fiscal year 1940-41 is accounted for in part by increases in the sale of (i) stamps, registration and insurance fees, special delivery stamps, stamped envelopes, post cards, bands, wrappers, etc., \$4,291,314.85; and (ii) postage meter and postage register machine impressions on mail matter, \$2,134,785.19.

Details

Postal Revenue

RECEIPTS

A Postage:—

Sale of stamps, etc.:

Postage stamps, registration and insurance fees, special delivery stamps, stamped envelopes, post cards, bands, wrappers, etc. 35,716,908 14

Postage paid in cash (without the use of postage stamps):

Postage meter and postage register machine impressions on mail matter 12,573,716 24

Newspapers and periodicals mailed in bulk according to weight 2,023,831 83

Printed matter—including books, catalogues, circulars, handbills, etc. (usually mailed in bulk for general distribution) 1,111,558 07

Postage on gold bullion shipments to the Royal Mint and parcels of mutilated bank notes (mailed by various banks to the bank of Canada) 56,690 94

Postage collected by special arrangements with certain Government Departments 6,689 01

Trans-Atlantic air mail postage on letters from H.M. Ships in Canadian waters 5,330 45

Payments received from foreign countries (for the calendar year 1941):

Postage on parcels received from other countries for delivery in Canada.. 306,761 15

Transit charges on foreign mail forwarded through Canada to other countries 404,064 66

52,205,550 49

B Money Orders:—

Commissions and revenue taxes collected from purchasers of Canadian money orders, payable in Canada and elsewhere 2,284,001 81

Commissions collected from foreign countries (other than the United States), for the calendar year 1941, on foreign money orders payable in Canada.... 1,186 22

Foreign exchange 35,288 16

2,320,476 19

C Postal Notes:—

Commissions and revenue taxes collected from purchasers of postal notes..... 404,467 62

D Rental of Post Office boxes and drawers, in post offices located in Dominion public buildings, including deposits on keys, less refunds 379,826 18

E Sale of rural mail boxes..... 22,220 00

F Miscellaneous Revenue 144,618 60

55,477,159 08

DISBURSEMENTS

G Remuneration of revenue postmasters and staffs of revenue post offices:—		
Commissions on postage, money order sales and box rental collections....	7,157,314 57	
Rent contributions for space occupied by post offices not located in Dominion public buildings	450,879 01	
Allowances for forwarding mail to other post offices	142,166 70	
Allowances for receiving and dispatching mails outside the usual hours of business	121,798 33	
Commissions on postal note sales....	76,687 04	
		7,948,845 65
H Discounts on postage, allowed to sub-postmasters, stamp vendors and users of postage meter machines; and compensation, for special delivery of letters and parcels, paid to messengers.....		322,459 97
I Postage on parcels mailed in Canada for delivery in foreign countries.....		864,442 83
J Transit charges on Canadian mail forwarded through foreign countries....		302,728 90
K Indemnities paid in respect of lost insured and C.O.D. parcels		26,690 87
L Commissions paid to other countries on money order business		5,684 23
M Losses by fire, burglary, etc.		8,660 91
N Cost of processing airgraph message films		3,769 30
O Postage prepayments on soldiers' mail..		4 59
		9,483,287 25
		45,993,871 83

Casual Revenue

P Sales:—		
Apartment house locks	1,780 36	
Material for uniforms	25,693 74	
Waste paper, scrap metal and twine	3,347 93	
Sundry	290 88	
		31,112 91
Q Refunds of previous years' expenditures:—		
Post Office property damaged or lost..	394 36	
Salaries	1,778 30	
Sundry	598 86	
		2,771 52
R Other Receipts:—		
Disciplinary fines imposed on postal employees	184 50	
Currency and proceeds from the sale of matter removed from dead letters and parcels	4,302 84	
Postage stamps found in post offices	21 15	
		4,508 49
		38,392 92

Fines and Forfeitures

- S Fines imposed for using or attempting to use, on mail matter, previously used postage stamps

84 00

\$46,032,348 75

Certified correct.

P. T. COOLICAN,
*Acting Deputy Postmaster
General.*

In accordance with the provision of Section 45 (1) of the Consolidated Revenue and Audit Act, I have, subject to the appended audit notes, satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments

F Miscellaneous revenue—includes: (i) payments received from the Unemployment Insurance Commission as remuneration for distributing and selling unemployment insurance stamps, \$128,250; (ii) Commissions received from the Department of Transport for radio licences sold, \$9,100.85; proceeds from the sale of mailing lists, \$3,501.95; net profit on personal messages mailed to enemy and enemy occupied countries, \$1,535.01; cash over-ages reported by postmasters, \$865.88.

G Postmasters of revenue post offices are paid in accordance with the scales of remuneration set forth in the Civil Service Commission's classification of the Civil Service, and, with the exception of offices where the revenues do not exceed \$3,000 per annum (of which the postmasters are exempted from the provisions of the Civil Service Act, under the terms of Section 57A), appointments are made under the jurisdiction of the Civil Service Commission. During the year under review, 12,258 revenue postmasters were employed, of whom 12,160 were paid on a commission basis (including 3,944 who received the minimum commission of \$100), and 98 were paid at fixed annual rates.

K Total payments during the year amounted to \$73,484.32 and collections of indemnities previously paid amounted to \$46,793.45 leaving a net balance of \$26,690.87, a portion of which may be recovered subsequently.

M In addition to the sum of \$8,660.91 (of which \$7,748.10 applies to previous fiscal years) there was being carried in suspense at March 31, 1942, a sum of \$14,508.28 representing losses not yet adjusted (including \$9,871.07 applicable to previous fiscal years).

Losses, including defalcations and burglaries wherein a postmaster or other post office official has been found to be implicated or is suspected of being implicated, are investigated by the Department with the object, among other things, of establishing responsibility. If criminal or personal responsibility of any postmaster or other post office employee is established, the loss, or as much of it as possible is recovered from the person or persons found responsible; or, if for some reason recovery cannot be so effected, a claim is made on the Post Office Guarantee Fund.

Other losses, through burglary, acts of God, etc., of \$50 and over, are charged against revenue under authority obtained by Order in Council; similar losses under \$50 are also charged to revenue but without reference to Council or to Treasury Board.

N From inception of airgraph service on November 15, 1941 to January 16, 1942 only.

Audit Notes

A These revenues should be, but are not, adjusted in respect of (i) advance payments received regarding postage on 'printed matter' mailed under permit, and 'postage meter and postage register machine impressions', and (ii) deferred payments regarding postage on 'parcels', 'newspapers and periodicals', and 'gold bullion shipments'.

The sum of \$24,547.59 representing the value of perforated O.H.M.S. stamps issued to various government departments and agencies, for which payment had not been received at March 31, 1942, was included as revenue.

The amount of postage revenue which the Department would otherwise have received was reduced because an association known as the "National Livestock Records" was permitted, by the Department of Agriculture, to utilize the franking privilege which, under Section 42 of the Post Office Act, may be exercised only by the Governor General and government departments, at the seat of Government.

A B C Includes revenue derived from excise taxes imposed under the Special War Revenue Act on letters, post cards, cheques, bills of exchange, promissory notes, receipts to banks for deposits withdrawn, travellers' cheques and money orders (including \$188,702.72 on postal notes and \$523,956.18 on post office money orders).

B C In previous years the revenues, from Money Orders and Postal Notes, included lapsed orders or notes issued during the fiscal year next but one preceding, less previously lapsed notes paid during the current fiscal year. No lists of lapsed orders and notes were established during the fiscal year under review and in consequence no revenue from this source is reported. As experience has shown that each year the value of redeemed notes and orders is less than the value of those issued, the changed procedure will result, in time, in the building up of a considerable liability which it is unlikely will have to be met. According to a direction of the Treasury Board surpluses arising from these sources were to have been treated as 'miscellaneous' or 'Casual Revenue' of the Department rather than as Post Office Revenue. It was following observations with respect to the Department's failure to observe this direction that the procedure was changed as outlined above.

D These revenues should be, but are not, adjusted in respect of advance payments and key deposits received from box and drawer holders.

C According to the provisions of the Civil Service Act, postmasters of revenue offices, where the revenues exceed \$3,000 per annum, are to be appointed by the Civil Service Commission, but in the following cases, the postmasters at such offices were employed without the approval of the Commission for the periods indicated: Mont Joli, Que., Dec. 16, 1936-Aug. 27, 1941; Rivière du Loup, Que., May 18, 1937-Nov. 4, 1941.

H Discounts were paid, in some cases, to postage stamp, postage meter and postage register machine users who were not engaged in the sale, to the public, of postage stamps and, therefore, were not 'agents' of the department (within the intent of the provisions of Section 7(o) of the Post Office Act); thus the postal rates paid were in effect reduced below the scale authorized.

P Sales of material for uniforms includes \$7,980 deposited to the credit of the Receiver General during the fiscal year 1940-41 (March 12, 1941) and not brought to account until 1941-42.

APPROPRIATIONS AND EXPENDITURES

A total of \$42,877,906.31 was available for expenditure on account of the Post Office Department of which \$42,849,721.83 was provided in the annual appropriation act; \$28,184.48 was authorized by continuing statutory provisions. Expenditures were \$41,501,869.04 for the fiscal year 1941-42, an increase of \$2,802,195.28 over those of \$38,699,673.76 in 1940-41.

In addition, a total of \$645,683 was allotted to the department from the War Appropriation. Expenditures, thereunder, amounting to \$492,459.62 are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salary of Postmaster General, Salaries Act, c. 182, R.S.	10,000 00	10,000 00	
Statutory	Motor Car Allowance, Approp- riation Act No. 5, c. 61, 1931	2,000 00	2,000 00	
241 }				
*436 }	Departmental Administration...	606,633 74	570,375 35	36,258 39
*420 }				
242 }	Post Offices, including salaries and			
*437 }	other expenses of Headquarters			
*420 }	and Staff Post Offices and			
	supplies and equipment for			
	Revenue Post Offices	16,289,124 34	16,147,743 85	141,380 49

*Supplementary vote.

AUDITOR GENERAL'S REPORT

No. of Vote	Service	Appropriations	Expenditures	Lapsed
243	Inspection and Investigation...	934,255 00	863,627 28	70,627 72
244				
*438	Railway Mail Service	12,079,755 45	11,965,235 85	114,519 60
*420				
245	Air and Land Mail Services	11,514,882 00	10 582,347 74	932,534 26
246	Audit of Revenue, Money Order,			
*420	Postal Note and Savings Bank Business; issue of Postage Stamps and Postal Notes, in- cluding amounts required to pay allowances to Office Appliance Operators Grade 2, in accord- ance with regulations approved by Order in Council	1,420,071 30 42,856,721 83	1,344,354 49 41,485,684 56	75,716 81 1,371,037 27

PENSIONS AND OTHER BENEFITS

247	Payment of compassionate allow- ances to employees injured while in the performance of their duties, or to other persons in- jured while performing duties in any way connected with the Postal Service, or in protecting His Majesty's mails, or to the dependents of such employees or other persons who may be killed while so engaged; payments to be made only on the specific authority of the Governor in Council	5,000 00		5,000 00
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SUPERANNUATION, RETIREMENT AND
OTHER BENEFITS

Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.	16,184 48	16,184 48	
		<u>\$42,877,906 31</u>	<u>\$41,501,869 04</u>	<u>\$1,376,037 27</u>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

The statutory and appropriation expenditures on account of salaries and allowances (including cost of living bonuses) during 1941-42 amounted to \$20,540,896.52 as compared with \$19,148,565.75 (total salaries \$19,341,837.16 less paid from War Appropriation, \$193,271.41) for 1940-41. These amounts do not include the remuneration of 'Revenue' postmasters and their staffs which was paid from Post Office revenue (see Revenues, Comment "G").

*Salary of Postmaster General, the Hon. W. P. Mulock, Salaries Act,
c. 182, R.S.* \$ 10,000 00

*Supplementary vote.

<i>Motor Car Allowance, the Hon. W. P. Mulock, Appropriation Act, No. 5, c. 61, 1931</i>		\$ 2,000 00
<i>Vote 241 Departmental Administration</i>		552,180 00
<i>Vote 436 Further amount required</i>		50,000 00
<i>Vote 420 Supplementary provision for payment of cost of living bonuses</i>		4,453 74
		<hr/> 606,633 74
<i>Expenditures</i>		570,375 35
<i>Lapsed</i>	\$	36,258 39

	Estimates details	Allotments authorized	Expenditures
A Salaries of Departmental Administration..	\$ 294,533 74	294,533 74	294,533 74
B Mail Bags	200,000 00	200,000 00	198,485 74
C Travelling Expenses	8,000 00	8,000 00	5,100 64
D Printing and Stationery	72,600 00	70,600 00	44,682 31
E Equipment and Maintenance	2,500 00	2,500 00	2,016 52
F Telegrams and Telephones	3,000 00	3,000 00	2,099 59
G Sundries	6,000 00	8,000 00	7,989 39
H Publicity and Advertising	20,000 00	20,000 00	15,467 42
	<hr/> \$ 606,633 74	<hr/> \$ 606,633 74	<hr/> \$ 570,375 35

Comments

These votes were provided to pay the salaries (including cost of living bonuses) and other expenses incident to the activities of the departmental administration staff at Ottawa, consisting of the offices of the Postmaster General, the Deputy and the Assistant Deputy Postmasters General, and the following departmental branches: Administrative Services, Public Relations, and Equipment and Supply; and also the cost of making and repairing mail bags.

A As of March 31, 1942, there were 163 employees paid from this allotment. The following were the rates paid to persons receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. A. Sullivan, Deputy Postmaster General, \$9,000; W. D. Adamson, \$4,080; H. J. H. Beaulieu, \$5,220; E. D. H. Boyd, \$2,760; G. A. Boyle, \$3,600; E. A. R. Butterworth, \$3,720; L. Cantin, \$2,400; P. T. Coolican, \$7,500; D. A. Costello, \$3,000; B. J. Farrell, \$3,180, secretarial allowance, \$600; M. Grondin, \$3,420; W. Hearty, \$2,700; G. A. L. Hill, \$2,400; R. Hill, \$4,200; L. E. Johnson, \$2,400; F. E. Jolliffe, \$4,020; T. H. G. Kenyon, \$3,420; J. Labrosse, \$2,400; A. Lalonde, \$4,320; O. Léger, \$2,700; G. MacNeill, \$2,400; J. T. McElroy, \$3,720; F. W. McLaughlin, \$2,400; W. F. Mesley, \$3,000, (Dec. 1); T. P. Murphy, \$5,220; H. N. Pearl, \$2,880; O. E. Thibault, \$2,400; W. J. Turnbull, \$4,500, and a secretarial allowance of \$600 paid by the Prime Minister's Office (transferred to Prime Minister's Office Aug. 6); T. Weston, \$2,700; G. M. Whillans, \$3,600.

Payment of a war duties supplement of \$600 per annum to B. J. Farrell from Aug. 21, 1941, was authorized by Order in Council of May 28, 1942 (P.C. 25/4483).

B Accounts of \$1,000 or over were: Bell Thread Co. Ltd., Hamilton, \$5,840.73; British Columbia Penitentiary, \$3,115.50; Canadian Spool Cotton Co., Montreal, \$6,280.49; Hugh Carson Co. Ltd., Ottawa, \$12,376.05; Dorchester Penitentiary, \$3,504.58; H.M. Government of the United Kingdom of Great Britain (cheque to Receiver General for payment through Post Office Account), \$2,486.06; Hamilton Cotton Co. Ltd., \$9,606.42; Kingston Penitentiary, \$19,836.11; Manitoba Penitentiary, \$10,182.42; Mayer Sealing Devices Reg'd., Montreal, \$3,663.01; Patrick Bros., Ottawa, \$1,569.55; Pritchard-Andrews Co. of Ottawa, Ltd., \$2,410.17; Richmond Tailors, Richmond Hill, Ont., \$4,974.83; W. Robinson & Son

Converters Ltd., Toronto, \$25,775.51; St. Vincent de Paul Penitentiary, \$20,735.01; J. Spencer Turner Co. Ltd., Hamilton, \$52,362.73; United-Carr Fastener Co. of Canada Ltd., Hamilton, \$8,128.68.

C Payments amounting to \$300 or over were made as follows: Hon. W. P. Mulock, \$300; H. Beaulieu, \$344.69; G. A. Boyle, \$817.70; P. T. Coolican, \$366.92; R. Hill, \$1,127.08; J. A. Sullivan, K.C., \$580.55; G. M. Whillans, \$573.05.

D Supplied by the King's Printer. Office appliances including multilith equipment, typewriters, etc., to the value of \$3,173.90, were paid for from this allotment.

F Telephone rentals at Ottawa were paid from Public Works Vote "261, Telephone Service at Ottawa", but the relative long distance tolls incurred at Ottawa were paid from this allotment.

One account of \$1,000 or over was incurred during the year; this was for \$1,409.35, paid to the Bell Telephone Co. of Canada.

G Accounts of \$1,000 or over were: International Bureau of the Universal Postal Union, Berne, Switzerland, \$3,275.17; International Bureau of the Postal Union of the Americas and Spain, Montevideo, Uruguay, \$3,266.27 (being \$1,537.22 for Canada's share of the cost of the bureau for 1940, and \$1,729.05 for 1941).

H Accounts of \$1,000 or over were: Department of Public Printing and Stationery, \$7,817.71 (being \$7,512.82 for publicity folders and \$304.89 for truck signs); National Film Board, Ottawa, \$4,622.02; Walsh Advertising Co. Ltd., \$2,299.62 for publicity folders.

Vote 242 Post Offices, including salaries and other expenses of Headquarters and Staff Post Offices and supplies and equipment for Revenue Post Offices **15,115,343 00**

Vote 437 Further amount required **376,508 00**

Vote 420 Supplementary provision for payment of cost of living bonuses **797,273 34**

Expenditures **16,289,124 34**

Lapsed **\$ 141,380 49**

	Estimates details	Allotments authorized	Expenditures
A Salaries—Headquarters Administration.	127,605 00	127,605 00	124,959 32
B Salaries—Post Office Staffs	15,462,979 34	15,462,979 34	15,462,979 34
C Commissions to Postmasters on Savings Bank business	6,000 00	6,000 00	2,618 13
D Travelling Expenses	1,750 00	2,250 00	1,328 50
E Printing and Stationery	224,140 00	224,140 00	181,667 33
F Equipment and Maintenance	430,000 00	430,000 00	338,706 99
G Telegrams and Telephones	33,500 00	33,500 00	33,429 85
H Sundries	3,150 00	2,650 00	2,054 39
	\$16,289,124 34	\$16,289,124 34	\$16,147,743 85

Comments

These votes were provided to pay (i) the salaries (including cost of living bonuses) and other expenses incident to the activities of city and other staff post offices, and of the departmental administrative unit at Ottawa, which controls these offices; and (ii) the cost of supplies and equipment of post offices, the postmasters of which are remunerated on a percentage basis.

A As of March 31, 1942, there were 74 employees paid from this allotment. The following were the rates paid to persons receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): G. C. Avery, \$4,200; N. T. Barry, \$2,400;

J. D. Campbell, \$3,180 (Oct. 1); J. L. A. Gagnon, \$3,960; R. H. Handy, \$3,600; W. MacDonald, \$2,400; A. MacFarlane, \$3,000; J. C. D. Morais, \$2,400; E. Pelletier, \$2,400; F. W. Pheasant, \$3,000; E. J. Underwood, \$6,000.

B As of March 31, 1942, there were 9,255 employees paid from this allotment. The following were the rates paid to employees, of the various post offices, who were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets):

	Salary rates		Salary rates
--	-----------------	--	-----------------

Nova Scotia

Glace Bay:	
Burchell, J. R.....	\$2,640 00
Halifax:	
Hire, C. W.....	2,520 00
Lavers, P. A.....	2,400 00
Warner, F. A.....	3,480 00
Sydney:	
McDonald, M. M. L.....	2,400 00
McKinnon, L. H. A.....	2,880 00
Truro:	
Bryson, J. H.....	2,400 00
Mackenzie, F. B.....	2,880 00
Yarmouth:	
Dunn, C. P.....	2,400 00

Prince Edward Island

Charlottetown:	
Pickard, H. L.....	2,520 00

New Brunswick

Fredericton:	
Anderson, W. A.....	2,400 00
Cameron, D. F.....	2,880 00
Moncton:	
Henderson, J. S.....	3,420 00
Saint John:	
Mackin, W.	2,400 00
Shannon, F. M.....	2,640 00

Quebec

Chicoutimi:	
Desbiens, L. P.....	2,640 00
Granby:	
Lortie, P. E.....	2,640 00
Hull:	
Frechette, A.	2,640 00
Levis:	
Martineau, J. C.....	2,640 00
Montreal:	
Asselin, M.	2,400 00
Beaulieu, J. H.....	2,400 00
Brodeur, J. O. L.....	3,240 00
Caisse, L.	2,400 00
Crochetière, J. R.	4,800 00
DeCotret, P. R.....	3,000 00
Dupuis, F. P. C.....	2,400 00
Gauthier, A.	3,840 00
Gauvin, J. E. S.....	3,120 00
Hardy, J. W. L.....	3,120 00
Lamoureux, J. R. A.....	2,400 00

Longpré, J. A.....	2,400 00
Maurault, H.	2,700 00
McKeogh, P. R.....	2,700 00
Portelance, A.	3,120 00
Sylvain, J. B. O.....	2,400 00
Teasdale, E. E.....	2,400 00
Verville, T. F.....	3,600 00

St. Hyacinthe:	
Boucher, J. L.....	2,640 00

Sherbrooke:	
Desruisseaux, E, J.....	2,580 00
Soles, C. E.....	3,120 00

Thetford Mines:	
Lemieux, J. R. E.....	2,640 00

Three Rivers:	
Bernaquez, L.	2,640 00

Ontario

Belleville:	
Lang, J. E.	2,400 00
Trausch, J. V.	2,880 00

Brantford:	
Hartley, H. J.....	3,120 00
Nightingale, G. E.....	2,580 00

Brockville:	
Wooding, A.	2,640 00

Chatham:	
King, L. D.....	2,400 00
Reid, S. A.....	2,880 00

Collingwood:	
Bellamy, F. H.....	2,400 00

Cornwall:	
St. Laurent, W. A.....	2,640 00

Fort William:	
Carroll, T. H.....	2,880 00
Stewardson, R. H.....	2,400 00

Galt:	
Mullin, P. W.....	2,400 00

Guelph:	
Mogk, W. H.....	2,580 00
Walker, M. E. B.....	3,120 00

Hamilton:	
Ford, H. A.	3,420 00
MacLean, W. M.....	4,080 00
Stipe, C. D.....	2,400 00

Kingston:	
Harkness, W. T.....	3,000 00

Kirkland Lake:	
MacDonald, A. G.....	2,640 00

	Salary rates		Salary rates
Kitchener:		Timmins:	
Hachborn, T. H.....	3,120 00	King, E. H.....	2,880 00
Oswald, C. L.....	2,580 00	Reid, E. L.....	2,400 00
Lindsay:		Toronto:	
Warner, A. R.....	2,640 00	Anderson, W. G.....	2,400 00
London:		Bell, J. E.....	2,400 00
Callahan, A. B.....	2,520 00	Berry, J. T.....	2,400 00
Crawford, S. A.....	2,400 00	Bovington, H. J.....	2,400 00
Grimshaw, G. W. (Aug. 16)...	2,520 00	Carson, W. J.....	3,240 00
McGill, H. W.....	3,480 00	Chainey, G. E.....	2,400 00
Niagara Falls:		Cormack, W. J.....	2,400 00
Farrell, G. T.....	2,580 00	Forsyth, A. G.....	3,240 00
Phemister, W. H.....	3,120 00	Gibson, W. W.....	2,400 00
North Bay:		Giroux, J. C.....	3,000 00
Allen, J. P.....	2,880 00	Harris, W. H.....	4,020 00
Laframboise, A. H.....	2,400 00	Horton, W. H.....	3,000 00
Orillia:		Isbister, W. R.....	2,400 00
Devitt, T. C.....	2,640 00	Johnston, W. H.....	2,400 00
Oshawa:		Mathews, J. A.....	2,400 00
Gordon, W.	2,580 00	McCourt, J. T.....	3,000 00
Mathison, F. T.....	3,120 00	McKerihen, J. R. D.....	2,400 00
Ottawa:		Milne, G.....	2,400 00
Bayly, N.	2,400 00	Naylor, J. S.....	3,240 00
Cherry, W. A. (Feb. 1)	2,400 00	Newdick, S. G.....	2,760 00
Crain, R. H.....	2,400 00	O'Connor, J. J.....	2,400 00
Cunliffe, B. J.	2,760 00	Ryan, W. F. J. (Dec. 18)....	2,400 00
D'Auray, A.	2,400 00	Sangster, B. T.....	3,720 00
Eastwood, W. (Mar. 16)	3,420 00	Scott, E. F.....	2,400 00
Hall, R. E.....	2,400 00	Smith, A. V.....	2,400 00
Mongenais, J. C. E. (Dec. 1)...	2,880 00	Stuart, E. A.....	2,400 00
Needham, E. O.....	2,520 00	Stuart, G. M. C.	3,000 00
Pembroke:		Sykes, W. E.....	2,400 00
Coxford, R. C.....	2,640 00	Thornton, H. R.....	2,400 00
Perth:		Walker, J. B.....	2,400 00
Spalding, P. M.....	2,400 00	Waterloo:	
Peterborough:		Dotzert, C.	2,640 00
Lacheur, C.	3,120 00	Welland:	
White, H. E.	2,580 00	Stewart, M. F.....	2,640 00
Port Arthur:		Windsor:	
Greer, M. E.....	2,880 00	Kelley, J. C.	3,720 00
St. Catharines:		Mahoney, H.	2,400 00
Black, F. H.....	3,120 00	Waddington, R. H.	3,120 00
Cline, A. R.....	2,580 00	Woodstock:	
St. Thomas:		Steele, J. R.....	2,880 00
Bennett, E. D.....	2,400 00		
Orchard, E. M.....	2,880 00		
Sarnia:			
McCann, T. J.....	2,880 00		
Tobin, E. J.....	2,400 00		
Sault Ste. Marie:			
Johnston, J. H.....	2,880 00		
Stratford:			
Blair, H. A. (Oct. 5).....	2,400 00		
Ruston, F.	2,760 00		
Sudbury:			
Miller, J. C.....	2,580 00		
Whitehead, H.	3,120 00		

Manitoba

Brandon:	
Bain, W. B.....	2,580 00
Forbes, R. K.....	3,120 00
Portage la Prairie:	
Mills, A. J.....	2,400 00
Winnipeg:	
Aitken, J. R.....	2,400 00
Bowie, J. T.....	3,000 00
Carlyle, T. (Feb. 1).....	3,240 00
Cuthbert, J.	2,400 00
Edkins, J. A.....	3,000 00
Fridfinnson, W. (Sept. 10)....	2,640 00
Kent, R.	2,400 00

	Salary rates		Salary rates
Mansell, A. G.....	2,400 00	Lethbridge:	
Murdoch, W.	2,520 00	Darlington, A.	2,400 00
Newton, S.	2,400 00	Ward, W. R.....	2,880 00
Rutledge, T. A.	3,900 00	Medicine Hat:	
Sterland, R.	2,400 00	Johnson, W. J.	2,640 00
Sutton, F. R.....	2,760 00		
		<i>British Columbia</i>	
<i>Saskatchewan</i>		Nanaimo:	
oose Jaw:		Booth, E. B.....	2,640 00
Baxter, W. G.....	2,700 00	Nelson:	
orth Battleford:		Manahan, R. M.....	2,640 00
Allen, J. C.	2,640 00	New Westminster:	
ince Albert:		Lord, J. W. C.....	3,120 00
Melton, C. E.....	2,640 00	Morrow, G.	2,580 00
egina:		Prince Rupert:	
Bannerman, J.	2,400 00	Morison, J. R.....	2,620 00
Christie, A. W.....	3,420 00	Trail:	
Godbolt, F. T. C.....	2,400 00	Twaddle, J. B.....	2,640 00
Labelle, L. J. G.....	4,080 00	Vancouver:	
Sissons, W. H. C.....	2,520 00	Black, A. S.....	2,760 00
Thompson, A. J.	2,400 00	Churchill, G.	2,400 00
skatoon:		Davidson, A. E.	2,880 00
Duggleby, L. H.....	2,400 00	Hutchinson, G. A.....	2,400 00
Hardy, H. F.....	2,820 00	Lyon, H. S.....	2,400 00
Heisler, C. W.....	3,420 00	McConaghy, J. A.....	3,120 00
		Selwood, A. G.	3,000 00
<i>Alberta</i>		Storey, C. C.....	3,900 00
lgary:		Victoria:	
Argue, F.	3,480 00	Gardiner, G. H.....	3,420 00
Black, A. H.....	2,760 00	Humber, H. G.....	2,400 00
Black, G. E.....	2,760 00	Sinclair, J. B.....	2,820 00
Maguire, W. C. L.....	2,400 00		
Stephen, R.	2,760 00	<i>Yukon</i>	
monton:		Dawson:	
Aldwell, T. R.....	2,400 00	Cameron, A., including living	
Campbell, A. D.....	2,400 00	allowance of \$1,020 (Nov. 12)	2,640 00
Callister, E. H.	2,400 00	Johnstone, J. K., including living	
Ferraton, W. V.....	2,400 00	allowance of \$1,500.....	3,900 00
Messier, J. N.....	3,120 00	White Horse:	
		Dalglish, H., including living	
		allowance of \$1,200.....	3,120 00

Casual helpers, employed at 45 cents per hour, were paid \$383,422.21 during the year; Christmas helpers, employed at 45 cents per hour, were paid \$266,217.71. Under authority of Order in Council P.C. 91/8400 of October 29, 1941, employees of the operating force (outside service) engaged in manipulative duties, who were called upon to work overtime during the Christmas season 1941, were paid in cash for the time so worked at the rate of 60 cents per hour, up to a maximum of 30 hours for any one employee. Payments in this regard amounted to \$144,133.71.

One payment of \$300 or over was made during the year, namely to E. J. Underwood, \$302.20.

Supplied by the King's Printer. Office appliances including typewriters, adding machines, etc., to the value of \$1,525.49 were paid for from this allotment.

A large portion of this expenditure was for uniforms, boots, etc., for postal employees, as follows: uniforms and uniform repairs, \$120,047.93; caps, waterproof clothing and other accessories, \$29,428.96; cash allowances for boots, \$56,345.12; cloth for uniforms, \$5,376.25, less cloth sold to uniform manufacturers, \$13,329.97 (Cloth purchased in previous years was also sold to clothing manufacturers for \$25,693.74 and is shown in the statement of Revenues under the heading—Casual Revenue, Sales).

Other large items were: automobiles, supplies and repairs, \$11,626.16; gasoline and oil, \$7,994.30; mechanical equipment, \$18,602.16; office furniture and accessories, \$8,952.22; post office box repairs, keys, etc., \$1,623.94; rubber stamps, stamp cushions, etc., \$11,904.51; sanitary supplies, \$7,953.79; scales, repairs and supplies, \$32,038.39.

Accounts of \$1,000 or over were: Barringham Rubber Co. Ltd., Oakville, Ont., \$4,624.50; British American Oil Co. Ltd., \$1,179.85; Jos. Brousseau, Ottawa, \$1,100.34; Canadian Fairbanks-Morse Co. Ltd., Toronto, \$4,578.60; Canadian Office & School Furniture Ltd. Preston, Ont., \$1,987.50; Canadian Postage Meters & Machines Co. Ltd., Toronto, \$9,127.15; Canadian Toledo Scale Co. Ltd., \$22,121.02; Corrugated Paper Box Co. Ltd., Leaside, Ont., \$2,128.67; Chrysler Corporation of Canada Ltd., Windsor, Ont., \$2,122.02; Gurney Scale Co. Ltd., Hamilton, \$2,982.69; Hield Brothers Ltd., Kingston, Ont., \$7,924.07; S. S. Holden Ltd., Ottawa, \$1,219.17; Hygiene Products Ltd., \$2,291.33; Imperial Oil Ltd., \$2,017.65; Interprovincial Equipment Co., Ottawa, \$1,286.68; Frank P. Lalonde, Ltd., Montreal, \$1,051.45; Laurentide Equipment Co. Ltd., Montreal, \$3,549.17; Machine Works Ltd., Montreal, \$3,801.58; Office Specialty Manufacturing Co. Ltd., Newmarket, Ont., \$13,274.86; Paris Wincey Mills Co. Ltd., \$2,546.86; Paton Manufacturing Co. Ltd., Montreal, \$2,472.37; J. E. Poole Co., Toronto, \$2,106.30; Pollack & Dorfman, Quebec, \$95,097.88; H. H. Popham, Ottawa, \$3,171.25; Pritchard-Andrews Co., of Ottawa, Ltd., \$10,318.10; William Scully Ltd., Montreal, \$2,212.09; Steel Equipment Co. Ltd., Pembroke, Ont., \$1,050; Tayside Textiles Ltd., Perth, Ont., \$22,066.05; Trade and Commerce Department, \$2,500; Uniform Company Reg'd., Quebec, \$9,285.01; J. E. Wiegand & Co. Ltd., Kitchener, Ont., \$14,411.94; Jay Wolfe Inc., Montreal, \$2,917.45.

- G** Telephone rentals at Ottawa were paid from Public Works Vote "261, Telephone Service at Ottawa", but the relative long distance tolls incurred at Ottawa were paid from this allotment.

Payments of \$1,000 or over (for service at several points in each case) were made to the following: Bell Telephone Co. of Canada, \$22,154.98; British Columbia Telephone Co., \$2,690.41; Manitoba Telephone System, \$1,850.13; Maritime Telegraph and Telephone Co. Ltd., \$1,561.18; New Brunswick Telephone Co., \$1,254.08; Saskatchewan Department of Telephones, \$1,471.95.

- H** Includes an amount of \$1,766.85 for the purchase of street car tickets used by district office staffs.

Audit Notes

- B** One employee was overpaid \$11.32, which, according to the records of the Central Pay Office, was not recovered.

Salaries were paid to four employees for periods of two or three months without proper authority and in four instances the salaries of employees were continued for several months after expiration of the periods for which their employment was authorized.

- C** The apparent saving on this allotment arises from the fact that payments to postmasters for six months only were charged during the current fiscal year, payments for the remaining six months having been recorded as a disbursement from Post Office Revenue and recovered in the fiscal year 1942-43 from the corresponding vote.

- G** Owing to the difficulties involved in the apportionment of charges for telegrams and telephones, all city and district office telegraph charges were paid from Vote 243 and all city and district office telephone rentals (with the exception of those at Ottawa) and tolls were paid from Vote 242; therefore, in so far as the telegram and telephone allotment of this vote is concerned, the expenditures incurred are arbitrarily reflected.

Standard practice was not followed in paying for telephone services; for, inconsistent with the almost universal practice of paying monthly in advance, some accounts were rendered and paid quarterly, semi-annually and even yearly in advance without, in most cases, any compensating discount or other apparent justification for the lengthened periods of prepayment. This procedure, being inconsistent with the provisions of Section 30 of the Consolidated Revenue and Audit Act whereunder the deputy minister or other officer charged with the administration of the particular service is required to certify that the services have been performed, the propriety of prepayment in advance of the customary period is questioned.

Vote 243	Inspection and Investigation	934,255 00
	Expenditures	863,627 28
	Lapsed	\$ 70,627 72

	Estimates details	Allotments authorized	Expenditures
A Salaries—Headquarters Administration....	84,975 00	84,775 00	77,654 15
B Salaries—District Office Staffs	748,400 00	748,400 00	707,604 98
C Travelling Expenses	60,000 00	60,000 00	50,366 45
D Printing and Stationery	36,300 00	36,300 00	25,023 52
E Equipment and Maintenance	1,500 00	1,500 00	465 97
F Telegrams and Telephones	2,000 00	2,200 00	2,088 43
G Sundries	1,080 00	1,080 00	423 78
	<u>\$ 934,255 00</u>	<u>\$ 934,255 00</u>	<u>\$ 863,627 28</u>

Comments

This vote was provided to pay the salaries (including cost of living bonuses) and other expenses incident to the activities of the supervisory staff at Ottawa, and of the various district office staffs whose duty it is periodically to inspect post offices, investigate irregularities and administer the services employed in respect of the carriage and delivery of mails.

A As of March 31, 1942, there were 45 employees paid from this allotment. The following were the rates paid to persons receiving annual salaries of \$2,400 or over on that date: W. J. P. Cantwell, \$4,320; J. P. Coady, \$2,760; H. Fortier, \$5,220; W. C. McEachern, \$3,600; G. M. McRae, \$2,400; J. D. Mooney, \$2,400; M. A. Yetts, \$3,000.

B As of March 31, 1942, there were 308 employees paid from this allotment. The following were the rates paid to employees, of the various postal districts, who were receiving annual salaries of \$2,400 or over on that date, or at the date of separation (shown in brackets):—

	Salary rates		Salary rates
Halifax:		Downing, J. D.....	3,480 00
Brennan, H. J.....	\$2,400 00	Germain, L.	6,000 00
Dexter, I. V.....	3,480 00	Larose, P.	3,240 00
Dyer, J. W.....	3,480 00	Marcoux, C. A.....	3,360 00
Fry, G. W.....	2,400 00	Ménard, A. F.	3,240 00
Hartling, E. A.....	3,240 00	Moineau, T. L.....	2,760 00
Hopkins, R. F.....	4,800 00	Murray, R. P.....	2,400 00
O'Brien, M. D.....	2,880 00		
Charlottetown:		Ottawa:	
Gallant, E. J.....	2,880 00	Bennett, T. E.....	3,060 00
Saint John:		Duguay, J. E.....	3,480 00
Bedell, T. B.....	2,700 00	Gravel, E. J.....	3,060 00
Carter, F. W.	3,480 00	Macklem, G. E.....	3,480 00
Coughlan, T. F.....	3,360 00	MacNabb, C. B.....	2,580 00
Ingraham, E. R.....	4,800 00	Maloney, M. F.....	2,400 00
Léger, J. E.....	3,240 00	McGrail, C. C.....	5,100 00
Newcomb, F. J.....	2,700 00		
Quebec:		Toronto:	
Beauchamp, J. F. A.....	3,480 00	Barringer, W. T.....	3,120 00
Bruneau, J. G.....	2,880 00	Blackstone, N. W.....	2,400 00
Dussault, J. P. L.....	2,700 00	Dickey, W. J.....	2,400 00
Gagnon, J. L. A.....	2,880 00	Falvey, W. P.....	3,600 00
Gosselin, J. F. D.....	3,240 00	Gibson, A. M.....	6,000 00
Jobin, G. I.....	2,580 00	Giroux, A. L.....	3,060 00
Nadeau, M. J. E.....	2,400 00	Hill, H.	2,880 00
Pouliot, J. A.....	5,100 00	Hornibrook, R. C.....	3,240 00
Montreal:		Little, J. C. (Nov. 3).....	3,240 00
Cardinal, J. A.....	2,700 00	Reive, R. H.....	2,520 00
Chartrand, F. E.....	3,240 00	Storey, W. T.....	3,240 00
Coulombe, L.	3,240 00	Wells, C. P.....	2,400 00
Desrosiers, F.	3,240 00	Willmot, H. C. M.....	2,700 00

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	Salary rates		Salary rates
North Bay:		Motherwell, W. J.....	4,800 00
Berry, H. N.....	2,400 00	Russell, T. C.....	3,360 00
Doran, W. W.....	3,240 00	Saskatoon:	
Gagné, W. J.....	3,240 00	Carmichael, J.....	3,240 00
Johnston, T. T.....	2,400 00	Cumming, L. S.....	3,240 00
Klein, J. H.....	2,700 00	Francis, R. B.....	2,700 00
Ross, J. C. (Feb. 28).....	4,620 00	Hayes, F.....	2,400 00
London:		Hunter, J. H.....	4,620 00
May, W. J.....	5,100 00	Rippengale, W.....	3,240 00
Mecredy, J. H.....	2,400 00	Edmonton:	
Merrifield, B. S.....	3,240 00	Carter, S. J.....	2,400 00
Pearson, W. E.....	3,480 00	Gregory, H. W.....	3,240 00
Poole, A. W.....	2,700 00	Mitchell, E. H.....	2,400 00
Smith, W. H.....	2,400 00	Reilly, T. J.....	3,240 00
Stewart, J. W.....	3,480 00	Calgary:	
Winnipeg:		Baker, C. W.....	2,580 00
Dickson, J. W. T.....	5,100 00	Corley, J. B.....	5,100 00
Hives, C. A.....	3,240 00	Dingle, A. W.....	3,480 00
Irle, T. A. W.....	3,120 00	Farren, E.....	3,480 00
Jenkins, H. C. M.....	2,700 00	Ironside, E. G. (June 1).....	2,880 00
Sargeant, R. A.....	2,400 00	Nicol, A. H.....	2,520 00
Vermander, J.....	3,240 00	Salisbury, W. R.....	2,400 00
Whatmough, E.....	3,480 00	Vancouver:	
Moose Jaw:		Clarke, G. H.....	5,400 00
Anderson, J. F.....	3,240 00	Kirk, C.....	3,060 00
Armstrong, H. T.....	2,400 00	McLean, W. E.....	2,700 00
Hauser, F. J.....	2,400 00	Middlemiss, F. H.....	3,480 00
Kerr, J. F.....	2,700 00	Turner, J.....	3,480 00
Long, R. H.....	3,360 00		

Payments for overtime amounting to \$712.05 were made under authority of Order in Council of October 29, 1941, (P.C. 91/8400), to the employees of the operating service (outside service) who were engaged in manipulative duties, and were called upon to work overtime during the Christmas season 1941. These employees were paid in cash at the rate of 60 cents per hour, up to a maximum of 30 hours for any one employee.

C Payments amounting to \$300 or over were made as follows: Calgary Postal District, C. W. Baker, \$331.90, E. Farren, \$656.65, A. H. Nicol, \$475.40; Edmonton Postal District, H. W. Gregory, \$903.42, E. H. Mitchell, \$1,149.39, H. C. Neal, \$443.40; Halifax Postal District, J. W. Dyer, \$763.08, E. A. Hartling, \$1,225.75, M. D. O'Brien, \$1,084.60; London Postal District, W. E. Pearson, \$1,365.45, J. W. Stewart, \$1,330.08; Montreal Postal District, F. Chartrand, \$1,509.09, E. Corbeil, \$992.84, L. Coulombe, \$1,285.39, P. Larose, \$731.19, A. F. Ménard, \$844.02; Moose Jaw Postal District, J. F. Anderson, \$613.93, J. F. Kerr, \$440, R. H. Long, \$468.81; North Bay Postal District, W. W. Doran, \$1,135.71, W. J. Gagné, \$698.69, J. H. Klein, \$511.05; Ottawa Postal District, T. E. Bennett, \$858.73, E. J. Gravel, \$528.06, C. B. MacNabb, \$435.68; Quebec Postal District, J. F. A. Beauchamp, \$2,015.04, J. A. Boissinot, \$404.14, J. G. Bruneau, \$1,698.61, J. J. P. L. Dussault, \$1,322.97, J. L. A. L. Gagnon, \$1,385.35; Saint John Postal District, T. B. Bedell, \$871.85, L. W. Carter, \$376.17, T. F. Coughlan, \$745.11, F. J. Newcomb, \$1,077.62; Saskatoon Postal District, J. Carmichael, \$860.90, L. S. Cumming, \$898.56, R. B. Francis, \$790.61, W. Rippengale, \$795.15; Toronto Postal District, A. M. Gibson, \$592.55, A. L. Giroux, \$1,089.61, R. C. Hornibrook, \$1,156.95, J. C. Little, \$596.85, W. T. Storey, \$1,129.41; Vancouver Postal District, C. Kirk, \$725.96, W. E. McLean, \$1,085.60, F. H. Middlemiss, \$714.60, J. Turner, \$979.73; Winnipeg Postal District, C. A. Hives, \$400.06, T. A. W. Irle, \$516.92, J. Vermander, \$1,111.51, E. Whatmough, \$679.10.

D Supplied by the King's Printer. Office appliances, including adding machines, typewriters, etc., to the value of \$1,954.54, were paid for from this allotment.

F Telephone rentals at Ottawa were paid from Public Works Vote "261, Telephone Service at Ottawa", but the relative long distance tolls incurred at Ottawa were paid from this allotment.

One account of \$1,000 or over was incurred during the year; this was for \$1,628.70, paid to the Canadian National Telegraphs for service at sundry points.

Audit Note

F Owing to the difficulties involved in the apportionment of charges for telegrams and telephones, all city and district office telegraph charges were paid from Vote 243, and all city and district office telephone rentals (with the exception of those at Ottawa) and tolls were paid from Vote 242; therefore, in so far as the telegram and telephone allotment of this vote is concerned, the expenditures incurred are arbitrarily reflected.

Vote 244	Railway Mail Service	11,113,410 00
Vote 438	Further amount required	914,090 00
Vote 420	Supplementary provision for payment of cost of living bonuses	52,255 45
		12,079,755 45
	Expenditures	11,965,235 85
	Lapsed	\$ 114,519 60

	Estimates details	Allotments authorized	Expenditures
A Salaries—Headquarters Administration..	54,900 00	54,900 00	54,351 06
B Salaries—Railway Mail Service Staffs..	2,179,835 45	2,335,465 45	2,335,465 45
C Mileage Allowance	695,630 00	531,000 00	529,355 63
D Mail Service by Railway	7,397,410 00	7,397,410 00	7,346,358 79
E Mail Service by Steamboat	1,682,380 00	1,682,380 00	1,636,261 75
F Travelling Expenses	10,000 00	19,000 00	16,554 12
G Printing and Stationery	54,450 00	54,450 00	44,405 90
H Equipment and Maintenance	3,000 00	3,000 00	1,146 19
I Telegrams and Telephones	850 00	850 00	738 30
J Sundries	1,300 00	1,300 00	598 66
	\$12,079,755 45	\$12,079,755 45	\$11,965,235 85

Comments

These votes were provided to pay (i) the costs of mail service by railway and steamboat and (ii) the salaries (including cost of living bonuses) and other expenses of the railway mail clerks and of the staff of the administrative units at Ottawa which controls this service.

A As of March 31, 1942, there were 27 employees paid from this allotment. The following were the rates paid to persons receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): C. C. Boreham, \$2,400; T. N. Caldwell, \$2,400 (Aug. 19); C. E. Cathcart, \$3,000; J. J. A. Doucet, \$2,400; F. Gilbert, \$3,420; R. H. MacNabb, \$5,220; J. McLean, \$2,400; F. R. Sparks, \$3,000.

B As of March 31, 1942, there were 1151 employees paid from this allotment. The following were the rates paid to persons receiving annual salaries of \$2,400 or over on that date: Montreal, M. Johnson, \$2,400; Quebec, U. A. Gosselin, \$2,400, J. A. D. Laberge, \$2,400, A. J. Laffamme, \$2,580, J. P. O. Paquet, \$2,400.

Extra Christmas helpers at Halifax and Quebec, employed at 45 cents per hour, were paid \$170.55 and \$358.58 respectively.

- C** Mileage allowances consist of payments at the rate of one cent per mile paid to Railway Mail clerks to cover the cost of their travelling and living expenses whilst on duty.
- D** Payments of \$1,000 or over were made to the following (the figures shown in brackets are the portions of the total payments withheld and paid to the Receiver General of Canada, in respect of traffic carried over lines subsidized by the Dominion Government, regarding which free transportation must be supplied by the companies concerned, up to an amount based on a percentage of the principal sum of subsidies granted): Algoma Central and Hudson Bay Railway Co., \$3,384.64 (\$3,384.64); B.C. Electric Railway Co. Ltd., \$5,923.80; British Yukon Railway Co., \$7,912.96; Canada and Gulf Terminal Railway, \$1,374.47 (\$1,374.47); Canadian National Railway Co., \$3,292,559.68 (\$35,806.18); Canadian Pacific Railway Co., \$3,723,260.74 (\$79,344.07); Central Vermont Railway, Inc., \$2,061.06; Great Northern Railway Co., \$20,515.08; Halifax Transfer Co. Ltd., \$1,452.50; Hull Electric Co., \$2,100; London & Port Stanley Railway, \$1,920.14; Michigan Central Railroad Co., \$24,192.60; Montreal & Southern Counties Railway Co., \$2,868.56; Napierville Junction Railway Co., \$6,424.88 (\$4,174.93); New York Central Railroad Co., \$15,333.54; Niagara, St. Catharines & Toronto Railway Co., \$1,613.92; Nipissing Central Railway Co., \$1,772.94; Northern Alberta Railways Co., \$41,174.15 (\$2,683.95); Northern Pacific Railway Co., \$2,351.33; Pacific Great Eastern Railway Co., \$15,143.30; Pere Marquette Railway Co., \$10,710.60; Quebec Central Railway Co., \$62,719.29 (\$6,280.73); Quebec Railway, Light and Power Co., \$2,380.13; Témiscouata Railway Co., \$11,598.75; Temiskaming & Northern Ontario Railway, \$71,105.12; Toronto, Hamilton & Buffalo Railway Co., \$6,596.50.
- E** Payments of \$1,000 or over were made to the following: Alcoa Steamship Co. Inc., Montreal, \$2,743.12; Beaton Boat Co. Ltd., Beaton, B.C., \$1,157.50; British Columbia Pulp and Paper Co. Ltd., Vancouver, \$2,480; H. Calder, Lord's Cove, N.B., \$3,884.91; Canada Shipping Co. Ltd., Vancouver, \$2,017.05; Canadian Australasian Line Ltd., Montreal, \$60,183.12; Canadian Blue Star Line Ltd., Vancouver, \$2,535.14; Canadian Government Merchant Marine Ltd., Montreal, \$48,950.25; Canadian National Steamships, \$11,550; Canadian Pacific Railway Co., \$106,181.07; Canadian Pacific Steamships Ltd., \$420,060.75; Cie. de Navigation Charlevoix Saguenay Ltée., Quebec, \$1,524.19; Cunard White Star Ltd., Montreal, \$460,761.75; T. A. S. DeWolf & Son, Halifax, \$36,588.75; Elder Dempster Lines Ltd., Montreal, \$7,737.75; Empire Shipping Company Ltd., Vancouver, \$46,106.63; Furness, Withy & Co. Ltd., Halifax, \$212,368.83; Georgian Bay Tourist Co. Ltd., Midland, Ont., \$1,252.66; Harbour Navigation Co. Ltd., Vancouver, \$1,875; Huntsville, Lake of Bays, and Lake Simcoe Navigation Co. Ltd., Huntsville, Ont., \$5,000; L. R. Jones, Harrington Harbour, Que., \$1,381.50; A. Lajoie and J. Harvey, La Baleine, Que., \$1,962.30; R. Leclerc, Lotbinière, Que., \$1,319.55; Muskoka Lakes Navigation & Hotel Co. Ltd., Gravenhurst, Ont., \$8,000; National Harbours Board, \$38,079.95; Pickford & Black Ltd., Halifax, \$1,307.04; R. Porritt, Port Alberni, B.C., \$3,286; S. J. Robertson, Harrington Harbour, Que., \$1,332; A. Sirois, Trois-Pistoles, Que., \$2,050.01; Traverse de Lévis Ltée., Quebec, \$5,000; Union Steamship Co. of New Zealand, Ltd., Vancouver, \$10,176.41; Union Steamships Ltd., Vancouver, \$59,153.77; F. K. Warren, Halifax, \$46,214.25. Mail Subsidies and Steamship Subventions were also paid to some of these companies by the Department of Trade and Commerce.
- F** Payments amounting to \$300 or over were made as follows: London, Ont., J. H. Carroll, \$317.95, D. N. McKenzie, \$311.25, W. J. H. Mundy, \$409.42, C. Short, \$464.77; Montreal, L. Germain, \$398 (not including \$69.45 charged to Vote 243), M. Johnson, \$817.75; Moose Jaw, D. H. Evans, \$340.50; Quebec, J. A. D. Laberge, \$1,235.57, A. J. Laflamme, \$1,061.39, J. E. M. Martineau, \$329.25, J. P. O. Paquet, \$1,217.11, J. C. Thérien, \$365.90; Saint John, V. E. Bowlby, \$319.
- G** Supplied by the King's Printer. Typewriters to the value of \$331.15* were paid for from this allotment.
- I** Telephone rentals at Ottawa were paid from Public Works Vote "261, Telephone Service at Ottawa", but the relative long distance tolls incurred at Ottawa were paid from this allotment.

Audit Note

Owing to the difficulties involved in the apportionment of charges for telegrams and telephones, all city and district office telegraph charges were paid from Vote 243, and all city and district office telephone rentals (with the exception of those at Ottawa) and tolls were paid from Vote 242; therefore, in so far as the telegram and telephone allotment of this vote is concerned, the expenditures incurred are arbitrarily reflected.

Vote 245 Air and Land Mail Services	\$11,514,882 00
Expenditures	10,582,347 74
Lapsed	\$ 932,534 26

	Estimates details	Allotments authorized	Expenditures
Salaries—Headquarters Administration.	65,850 00	68,850 00	67,671 55
Mail Service by Air	4,829,107 00	4,580,607 00	3,699,521 32
Mail Service by Ordinary Land Convey- ance, including Rural Mail Delivery..	6,504,815 00	6,749,815 00	6,726,896 34
Travelling Expenses	1,000 00	1,500 00	877 97
Printing and Stationery	31,760 00	28,760 00	19,086 57
Equipment and Maintenance	20,000 00	23,000 00	7,090 04
Telegrams and Telephones	300 00	300 00	184 11
Sundries	50 00	50 00	50 00
Publicity	30,000 00	30,000 00	29,354 24
Rural Mail Delivery Boxes	32,000 00	32,000 00	31,615 60
	\$11,514,882 00	\$11,514,882 00	\$10,582,347 74

Comments

This vote was provided to pay the cost of (i) the carriage of mails by air, rural mail delivery, mail stage services, movement of mails between post offices and railway stations, and collection from street letter boxes, and (ii) the salaries (including cost of living bonuses) and other expenses of the administrative unit at Ottawa which controls these services.

As of March 31, 1942, there were 39 employees paid from this allotment. The following were the rates paid to persons receiving annual salaries of \$2,400 or over on that date: F. J. Colpman, \$3,000; G. Herring, \$5,700; A. H. B. Potts, \$3,840; J. St. Germain, \$3,840.

Accounts of \$1,000 or over were: Arrow Airways Ltd., \$2,900.29; British Yukon Navigation Co. Ltd., \$8,715.90; Canadian Airways Ltd., \$99,460.97; Canadian Colonial Airways Ltd., \$113,121; Leavens Bros. Air Services Ltd., \$3,750.45; Mackenzie Air Service Ltd., \$61,717.41; Maritime Central Airways Ltd., \$29,666.56; Northern Airways Ltd., \$2,323.20; Northwest Airlines Inc., \$49,833; Prairie Airways Ltd., \$127,412.60; Starratt Airways & Transportation Ltd., \$10,209.84; Trans-Canada Air Lines, \$2,992,961.51; Wings Ltd., \$17,547.17; Yukon Southern Air Transport Ltd., \$179,431.38.

The mail contract entered into with Trans-Canada Air Lines, under the Trans-Canada Air Lines Act, 1937, provided for payment by the Department at the rate of 60 cents per mile flown with mails, during the initial period of operation ending December 31, 1939, and later extended to March 31, 1942, but a rate of 45 cents per scheduled mile flown was agreed upon for the fiscal year 1941-42. Payments were made at this rate on the basis of point-to-point mileages until December 31, 1941, after which date payments were computed on the basis of radio beam mileages.

The following is a summary of the Districts and services to which the payments from this allotment apply. The item Headquarters \$32,088.07 is for side services between certain airports and post offices on the Trans-Canada air mail routes.

AUDITOR GENERAL'S REPORT

District	Total	Rural mail delivery routes	Side services	Stage services	City services
Halifax	466,614 59	146,192 51	51,781 65	222,539 65	46,100 78
Charlottetown..	102,408 11	87,303 21	8,458 50	1,059 40	5,587 00
Saint John	361,531 85	192,626 81	40,278 10	101,005 17	27,621 77
Quebec	600,198 17	262,006 61	75,139 91	185,870 41	77,181 21
Montreal	919,036 47	418,626 60	72,734 33	91,652 34	336,023 20
Ottawa	654,987 78	454,024 44	44,880 92	91,348 94	64,733 48
Toronto	884,498 84	415,832 38	61,610 88	51,329 55	355,726 03
North Bay ...	223,597 39	62,147 89	63,151 63	67,989 70	30,308 17
London	808,306 46	605,118 85	57,237 64	32,867 29	113,082 68
Winnipeg	314,034 94	83,243 56	91,838 19	61,100 65	77,852 54
Moose Jaw ...	180,314 47	22,440 72	76,204 94	57,849 91	23,818 90
Saskatoon	218,696 93	48,968 06	92,845 95	53,806 63	23,076 29
Edmonton	245,272 83	88,246 13	59,942 60	67,231 30	29,852 80
Calgary	210,182 77	51,350 34	59,740 98	60,395 87	38,695 58
Vancouver	432,782 53	91,101 89	54,236 13	111,351 99	176,092 52
	\$6,622,464 13	\$3,029,230 00	\$910,082 35	\$1,257,398 80	\$1,425,752 98
Yukon Services	72,344 14				
Headquarters..	32,088 07				
	\$6,726,896 34				

D One individual received \$300 or over from this allotment during the year: G. Herring, \$473.95.

E Supplied by the King's Printer.

F Of this expenditure, \$6,936.02 was for the upkeep of street letter boxes and parcel receptacles.

G Telephone rentals at Ottawa were paid from Public Works Vote "261, Telephone Service at Ottawa", but the relative long distance tolls incurred at Ottawa were paid from this allotment.

I Accounts of \$1,000 or over were: King's Printer, Ottawa, \$15,269; National Film Board, Ottawa, \$5,919.19; Walsh Advertising Co. Ltd., Windsor, Ont., \$7,582.21 (all for air mail publicity).

J Accounts of \$1,000 or over were: Canadian National Railway Co., \$1,733.20; Eastern Steel Products Ltd., Montreal, \$29,828.90.

Audit Note

B Although the Governor in Council had authorized the making of formal contracts, the services on six air routes were continued on a temporary basis throughout the year notwithstanding an opinion given by the Justice Department to the effect that the provisions of Section 78 of the Post Office Act, permitting the making of temporary contracts, could not be invoked to support a temporary contract for a period of one year as not more than six weeks' notice of calling for tenders is required under Section 66 of the Act. Service on another route, previously covered by formal contract which expired on July 11, 1941, was also continued on a temporary basis.

Following correspondence with the Department pointing out the foregoing circumstances. Order in Council, P.C. 2311 of March 24, 1942 (as amended by P.C. 5833 of July 7, 1942) was passed, authorizing the Postmaster General to make temporary arrangements for conveyance of mails when in his opinion no more favourable arrangements could be made through the invitation of public tenders.

Vote 246 *Audit of Revenue, Money Order, Postal Note and Savings Bank Business; issue of Postage Stamps and Postal Notes, including amounts required to pay allowances to Office Appliance Operators, Grade 2, in accordance with regulations approved by Order in Council.*..... 1,408,700 00

Vote 420 *Supplementary provision for payment of cost of living bonuses* 11,371 30

Expenditures 1,420,071 30
1,344,354 49

Lapsed\$ 75,716 81

	Estimates details	Allotments authorized	Expenditures
A Salaries	874,321 30	874,321 30	874,321 30
B Travelling Expenses	1,000 00	1,000 00	355 10
C Printing and Stationery	90,750 00	90,750 00	68,423 57
D Equipment and Maintenance	150,000 00	150,000 00	114,226 13
E Telegrams and Telephones	1,000 00	1,000 00	151 66
F Sundries	1,000 00	1,000 00	39 10
G Money Order Forms	25,000 00	25,000 00	14,737 95
H Manufacture of Postage Stamps.....	250,000 00	250,000 00	249,268 22
I Printing of Postal Notes	27,000 00	27,000 00	22,831 46
	<u>\$1,420,071 30</u>	<u>\$1,420,071 30</u>	<u>\$1,344,354 49</u>

Comments

These votes were provided to pay (i) the salaries (including cost of living bonuses) and other expenses of the staff of the Financial Branch at Ottawa, which records and audits postmasters' reports of financial transactions arising from (a) the sale of postage, money orders and postal notes, and (b) the operations of the Post Office Savings Bank, and (ii) the cost of postage stamps, postal notes and money order forms.

A As of March 31, 1942, there were 570 employees paid from this allotment. The following were the rates paid to persons receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): H. E. Atwater, \$5,700; A. F. Bill, \$4,620; G. H. Brenot, \$3,600; S. A. D. Busey, \$2,400; J. B. Campbell, \$2,700; W. F. Coutts, \$4,140; A. S. Deaville, \$3,300; H. C. Dewar, \$2,400; A. Ford, \$2,400; H. J. Fortune, \$2,400; R. E. Hall, \$2,400; E. H. Hancock, \$3,600; W. A. Heath, \$2,400; E. M. Hiney, \$3,000 (on military leave from Nov. 24); M. T. Hobart, \$3,120; K. H. Irving, \$3,120; R. Landriau, \$2,400; M. M. MacDonald, \$3,120; N. H. MacDonald, \$4,620; D. J. McCormick, \$2,400 (on military leave from June 1); T. D. McDonald, \$2,400; L. McGreevy, \$2,700; T. P. McManus, \$2,700; J. N. Morin, \$3,120; A. W. S. O'Hagan, \$2,400; W. H. O'Halloran, \$3,480; J. J. O'Hara, \$4,620; J. A. Owen, \$2,700; J. E. Page, \$2,400; P. E. R. Page, \$2,400; A. S. Pothier, \$3,600; H. Renwick, \$3,120; J. A. C. Roy, \$2,700; J. H. Ryan, \$2,760; C. C. Sheldon, \$3,060; W. G. Smith, \$2,400 (May 19); G. G. Tennant, \$3,120; W. L. Veniot, \$3,120; A. Vermette, \$2,400.

Supplied by the King's Printer.

These expenditures include rental of accounting machines, \$53,157.50; cards for accounting machines, \$47,250.65; paper rolls for postage meter machines, \$12,629.86.

Payments of \$1,000 or over were made to the following: International Business Machines Co. Ltd., \$13,796.06; John Neville Paper Co., Ottawa, \$12,629.86; Remington Rand Ltd., Toronto, \$86,842.96.

Telephone rentals at Ottawa were paid from Public Works Vote "261, Telephone Service at Ottawa", but the relative long distance tolls incurred at Ottawa were paid from this allotment.

Supplied by the King's Printer.

AUDITOR GENERAL'S REPORT

- H** Payments of \$1,000 or over were made to the following: Canadian Bank Note Co., Ltd., Ottawa, \$223,428.89; Dominion Envelope Co. Ltd., Toronto, \$5,615.20; King's Printer, Ottawa, \$19,878.42.
- I** British American Bank Note Co. Ltd., Ottawa, \$21,130.19; Canadian Bank Note Co. Ltd., Ottawa, \$1,701.27.

PENSIONS AND OTHER BENEFITS

<i>Vote 247 Payment of compassionate allowances to employees injured while in the performance of their duties, or to other persons injured while performing duties in any way connected with the Postal Service, or in protecting His Majesty's mails, or to the dependents of such employees or other persons who may be killed while so engaged; payments to be made only on the specific authority of the Governor in Council.....</i>	
<i>Expenditure</i>	<i>\$ 5,000 00 nil</i>
<i>Lapsed</i>	<i>\$ 5,000 00</i>

SUPERANNUATION, RETIREMENT AND OTHER BENEFITS

Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S. \$16,184 48

PRIME MINISTER'S OFFICE

APPROPRIATIONS AND EXPENDITURES

A total of \$68,499.92 was available for expenditure on account of the Prime Minister's Office of which \$51,500 was provided in the annual appropriation acts and \$16,999.92 was authorized by continuing statutory provisions. Expenditures were \$56,680.14 for the fiscal year 1941-42, an increase of \$6,973.85 over those of \$49,706.29 in 1940-41.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salary of the Prime Minister, Salaries Act, c. 182, R.S.	14,999 92	14,999 92	
Statutory	Motor Car Allowance to Prime Minister, Appropriation Act No. 5, c. 61, 1931	2,000 00	2,000 00	
248	Salaries of Staff	51,500 00	39,680 22	11,819 78
		<u>\$ 68,499 92</u>	<u>\$ 56,680 14</u>	<u>\$ 11,819 78</u>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Salary of the Prime Minister—Salaries Act, c. 182, R.S. \$14,999 92

**Motor Car Allowance to Prime Minister—Appropriation Act No. 5, c. 61,
1931 \$ 2,000 00**

Vote 248 Salaries of Staff 51,500 00
Expenditures 39,680 22
Lapsed \$11,819 78

	Estimates details	Allotments authorized	Expenditures
Salaries	<u>\$ 51,500 00</u>	<u>\$ 51,500 00</u>	<u>\$ 39,680 22</u>

Comments on Expenditures

As of March 31, 1942, there were 19 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): E. K. Brown, \$5,000; M. Cameron, \$2,400, secretarial allowance, \$300 (Nov. 1); E. Handy, \$2,520, secretarial allowance, \$600; W. H. Measures, \$3,500; J. W. Pickersgill, secretarial allowance, \$600 (salary paid by Department of External Affairs); W. J. Turnbull, \$7,000; A. Walker, \$2,400, secretarial allowance, \$300.

A secretarial allowance of \$600 per annum was paid to W. J. Turnbull from Apr. 1 to Aug. 5, prior to his appointment as Principal Secretary. During this period Mr. Turnbull's salary was paid by the Post Office Department (Vote 241).

PRIVY COUNCIL OFFICE

APPROPRIATIONS AND EXPENDITURES

A total of \$61,000, provided in the annual appropriation acts, was available for expenditure on account of the Privy Council Office. Expenditures were \$54,104.79 for the fiscal year 1941-42, an increase of \$41.42 over those of \$54,063.37 in 1940-41.

In addition a total of \$6,138 was allotted to the Privy Council Office from the War Appropriation. Expenditures thereunder, amounting to \$4,343.10, are shown in the War Appropriation section of this report.

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
249	Salaries and Expenses of Office....	61,000 00	54,104 79	6,895 21
	Total Ordinary Expenditures.....	\$ 61,000 00	\$ 54,104 79	\$ 6,895 21

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Vote 249	Salaries and Expenses of Office	61,000 00
	Expenditures	54,104 79
	Lapsed	\$ 6,895 21

	<u>Estimates details</u>	<u>Allotments authorized</u>	<u>Expenditures</u>
A Salaries	56,000 00	56,000 00	51,085 76
B Printing and Stationery	3,000 00	3,000 00	2,394 85
C Sundries	2,000 00	2,000 00	624 18
	<u>\$ 61,000 00</u>	<u>\$ 61,000 00</u>	<u>\$ 54,104 79</u>

Comments on Expenditures

A As of March 31, 1942, there were 22 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: A. D. P. Heency, Clerk of the Privy Council, \$9,000; H. R. L. Henry, \$5,000; A. M. Hill, \$3,000; H. W. Lothrop, \$5,220; M. G. Roe, \$2,400; W. J. Wall, \$3,000.

PUBLIC ARCHIVES

REVENUES

Summary

	1941-42	1940-41
Ordinary Revenue—		
Casual Revenue	\$ 2,049 14	\$ 1,516 37

Details

Casual Revenue—	
A Sale of war trophies, metal, etc.	\$ 2,049 14

Certified correct,

G. LANCTOT,
Dominion Archivist.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

A On the authority of P.C. 2516 of April 10, 1941, the chairman of the Military Museum Board and the Salvage Officer have charge of the disposal of sundry war trophies for the benefit of the war effort. These trophies were distributed to various municipalities, public and military museums throughout Canada, after the last war. The policy governing the distribution of such trophies provided that they should remain the property of the Dominion of Canada, and could not at any time be sold or otherwise disposed of by such municipalities or other bodies.

APPROPRIATIONS AND EXPENDITURES

An amount of \$142,970, provided in the annual appropriation Acts, was available for expenditure on account of the Public Archives, which is under the jurisdiction of the Secretary of State. Expenditures were \$123,152.33 for the fiscal year 1941-42, a decrease of \$2,699.54 as compared with those of \$125,851.87 for 1940-41.

In addition, a total of \$2,600 was allotted to the Public Archives from the War Appropriation. This expenditure is shown in the War Expenditures section of this report.

No. of

Vote	Services	Appropriations	Expenditures	Lapsed
250	General Administration and Technical Services	\$ 142,970 00	\$ 123,152 33	\$ 19,817 67

Certified correct,

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

AUDITOR GENERAL'S REPORT

Vote 250 General Administration and Technical Services	142,970 00
Expenditures	123,152 33
Lapsed	\$ 19,817 67

	Estimates details	Allotments authorized	Expenditures
A Salaries	132,470 00	132,470 00	113,043 50
B Printing and Stationery	6,000 00	6,000 00	6,000 00
C Travelling Expenses	1,000 00	1,000 00	884 08
D Purchase and copying of Books, Papers, Manuscripts, Maps, etc.	1,500 00	2,450 00	2,405 70
E Sundries	2,000 00	1,050 00	819 05
	<u>\$ 142,970 00</u>	<u>\$ 142,970 00</u>	<u>\$ 123,152 33</u>

Comments on Expenditures

- A** As of March 31, 1942, there were 53 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: G. Lanctot, Dominion Archivist, \$8,000; G. W. Bailey, \$2,520; A. Beaulieu, \$2,520; V. Bigras, \$2,520; L. Brault, \$3,000; N. Fee, \$4,380; D. Godfrey, \$2,880; G. T. Hamilton, \$3,180; J. F. Kenney, \$4,440; M. Kinnear, \$2,520; R. Laroque, \$2,640; A. F. Macdonald, \$3,180; S. Marion, \$3,960; J. F. McKay, \$2,520; W. A. Proctor, \$2,400; N. Story, \$2,520; F. W. Thompson, \$2,400; H. Wooding, \$2,400.
- C** G. Lanctot received \$742.12 for travelling expenses.
- D** No purchase over \$300 was made.
- E** Includes office expenses, London, England, \$394.77.

DEPARTMENT OF PUBLIC PRINTING AND STATIONERY

REVENUES

Summary

	1941-42	1940-41
Ordinary Revenue—		
<i>Canada Gazette</i>	45,036 70	45,962 66
Casual Revenue	356,314 46	217,366 30
	<u>\$ 401,351 16</u>	<u>\$ 263,328 96</u>

In 1941-42 the excess of revenue over expenditure resulting from the operations of the King's Printer's Advance Account showed an increase of approximately \$146,800 as compared with the previous year. In addition, there were increases of \$15,400 in the waste paper contract and \$1,000 in the sale of discarded equipment. These increases were offset by decreases of approximately \$900 and \$24,300 in *Canada Gazette* and revenue from the sale of publications, resulting in a net increase of approximately \$138,000 in the revenues for the year as compared with those for 1940-41.

A	<i>Canada Gazette</i> —subscriptions, copies and advertising	45,036 70
B	Sale of publications: Parliament and Departments, \$18,079.65; Public, \$57,006.39	75,086 04
C	Waste paper, contract	22,000 00
D	Sale of discarded equipment, etc.	1,971 30
E	King's Printer's Advance Account, excess of revenue over expenditure: Printing Branch, \$48,902.23; Stationery Branch, \$208,354.89	257,257 12
		<u>\$ 401,351 16</u>

Certified correct.

EDMOND CLOUTIER,
King's Printer.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

- A The *Canada Gazette* is the official gazette of Canada, the printing of which is executed by the King's Printer under Section 28 of the Public Printing and Stationery Act; the rates for advertising, and for subscriptions and single copies, are established by the Governor in Council.
- C The sale of waste paper was made to Betcherman Iron and Metal Co., Ltd., Ottawa, under an annual contract with the approval of the Governor in Council.
- E It is the practice of the King's Printer to add a percentage to the cost of the stationery purchased to offset the cost of operation, and this charge is absorbed by the various departments in their purchases; in the Printing Branch the charge for work done is made on a unit price basis for the various classes of work executed. The cost of light, heat, power, telephone service, etc., paid by the Department of Public Works, is not taken into account.

APPROPRIATIONS AND EXPENDITURES

A total of \$198,965.77 was available for expenditure on account of the Department of Public Printing and Stationery of which \$196,480 was provided in the annual appropriation Acts, \$2,200.01 was authorized by continuing statutory provision and \$285.76 was transferred from the annual appropriations for the Department of Finance. Expenditures were \$194,633.45 for the fiscal year 1941-42, a decrease of \$88,525.82 as compared with \$283,159.27 in 1940-41.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
*420 }	Departmental Administration	39,395 76	39,395 70	06
251 }				
252 }	Printing, binding and distributing the Annual Statutes	8,500 00	4,852 69	3,647 31
*439 }	Canada Gazette	41,080 00	41,078 37	1 63
253 }				
254 }	Plant—repairs and renewals	10,000 00	9,998 60	1 40
255 }	Distribution of Official Documents..	44,790 00	44,108 31	681 69
*440 }	Printing and binding Official Publi- cations for sale and distribution to Departments and the Public..	53,000 00	52,999 77	23
256 }				
SUPERANNUATION AND RETIREMENT BENEFITS				
Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S., 1927	2,200 01	2,200 01	
		\$ 198,965 77	\$ 194,633 45	\$ 4,332 32

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and, subject to my observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Vote 251	Departmental Administration	39,110 00
Vote *420	Cost of living bonus	285 76
		39,395 76
Expenditures		39,395 70
Lapsed		\$ 06

	Estimates details	Allotments authorized	Expenditures
A Salaries	30,110 00	30,395 76	30,395 76
B Travelling Expenses	1,000 00	664 75	664 75
C Printing and Stationery	7,250 00	6,137 51	6,137 45
D Sundries	750 00	2,197 74	2,197 74
		\$ 39,110 00	\$ 39,395 76
			\$ 39,395 70

* Supplementary vote.

Comments on Expenditures

A As of March 31, 1942, there were 10 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: E. Cloutier, King's Printer and Controller of Stationery, \$8,000; F. G. Bronskill, \$4,620; Y. Fortin, \$2,520; G. Randall, \$3,000; G. Vizard, \$3,000.

Vote 252	Printing, Binding and Distributing the Annual Statutes	8,500 00
	Expenditures	4,852 69
	Lapsed	\$ 3,647 31

Comments on Expenditures

The expenditures were incurred for printing, binding and distributing copies of the Statutes of Canada, 4-5 Geo. VI, 1940-41, English, 2,150, French, 465; Second Session 19th Parliament, English, 2,250, French, 185.

Vote 253	Canada Gazette	23,080 00
Vote *439	Further amount required	18,000 00
	Expenditures	41,080 00
	Lapsed	\$ 1 63

	Estimates details	Allotments authorized	Expenditures
A Salaries	4,500 00	3,792 25	3,792 25
B Printing and Binding	36,580 00	37,287 75	37,286 12
	\$ 41,080 00	\$ 41,080 00	\$ 41,078 37

Comments on Expenditures

A As of March 31, 1942, there were 2 employees paid from this vote, J. L. A. Boyer receiving an annual salary of \$2,640.

B The work of printing and binding the *Canada Gazette* was executed by the Printing Branch of the department.

Vote 254	Plant—Repairs and renewals	10,000 00
	Expenditures	9,998 60
	Lapsed	\$ 1 40

	Estimates details	Allotments authorized	Expenditures
A Maintenance and Repairs	2,400 00		
B Equipment and Supplies	6,700 00	7,827 95	7,826 75
C Freight, Duty, etc.	900 00	2,172 05	2,171 85
	\$ 10,000 00	\$ 10,000 00	\$ 9,998 60

Purpose for which Vote was Provided

The maintenance of the printing plant and equipment in the Printing Bureau.

Vote 255	Distribution of Official Documents	44,790 00
	Expenditures	44,108 31
	Lapsed	\$ 681 69

* Supplementary vote.

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries	33,420 00	31,560 00	31,543 07
B Delivery, mechanical supplies and char service	1,500 00	1,950 00	1,920 19
C Printing and Stationery	3,600 00	4,500 00	4,319 93
D Mechanical and shipping services	5,070 00	5,580 00	5,531 23
E Sundries	1,200 00	1,200 00	793 89
	<u>\$ 44,790 00</u>	<u>\$ 44,790 00</u>	<u>\$ 44,108 31</u>

Purpose for which Vote was Provided

The distribution of the official publications of Parliament and the government departments as provided for by the Public Printing and Stationery Act.

Comments on Expenditures

A As of March 31, 1942, there were 23 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): E. J. Laroche, \$2,400; A. L. Normandin, \$3,000 (on military leave from June 1).

Audit Note

Under the provisions of Section 19 of the Public Printing and Stationery Act, the Department is charged with the distribution of all public documents and papers. This provision has not been fully observed, as publications are still being distributed by other departments. Centralization of distribution of government publications should, in my opinion, result in increased efficiency and a saving of public funds.

<i>Vote 256 Printing and Binding Official Publications for sale and distribution to Departments and the Public</i>	40,000 00
<i>Vote *440 Further amounts required</i>	13,000 00
	<u>53,000 00</u>
<i>Expenditures</i>	<u>52,999 77</u>
<i>Lapsed</i>	<u>\$ 23</u>

	Estimates details	Allotments authorized	Expenditures
A Printing, etc., for free distribution	7,637 00	6,494 00	6,493 79
B Printing, etc., for sale	45,363 00	46,506 00	46,505 98
	<u>\$ 53,000 00</u>	<u>\$ 53,000 00</u>	<u>\$ 52,999 77</u>

Comments on Expenditures

A B The printing and binding of the various publications was done by the Printing Branch of the department under the authority of the Public Printing and Stationery Act. The publications are stocked in the Printing Bureau for distribution and sale.

SUPERANNUATION AND RETIREMENT BENEFITS

<i>Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S..</i>	\$ 2,200 01
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King's Printer's Advance Account

The Advance Account is operated under the authority of Section 38 of the Public Printing and Stationery Act. Advances are made to the King's Printer to enable him to purchase material for the execution of orders given or requisitions made under the Act and to pay the wages of workmen engaged in the execution of such orders or requisitions.

* Supplementary vote.

At the close of the year accounts totalling \$248,986.03 were due the King's Printer as follows: Finance, \$15,282.27; Labour, \$965.66; Munitions and Supply, \$168,695.95; National Research Council, \$80.90; National Revenue, \$56,589.57; National War Services, \$32.83; Secretary of State, \$16.51; National War Finance Committee, \$7,173.04; United Kingdom Liaison Mission, \$149.30. Of this amount \$60,369.09 was due the Printing Branch and \$188,616.94 due the Stationery Branch.

Details of King's Printer's Advance Account:—

PRINTING BRANCH

Work executed for departments, \$5,155,591.11;		
sundry sales, \$272.19	5,155,863 30	
Deduct: Cost of goods sold:		
Inventory April 1, 1941	447,861 50	
Salaries, \$204,462.45; wages of prevailing rates		
staff, \$993,054.01	1,197,516 46	
Paper, printing material, etc.	2,027,659 40	
Printing, binding, lithographing, etc., done		
outside the department	2,323,018 38	
Office printing, stationery and other expendi-		
tures	53,237 02	
	<hr/>	
	6,049,292 76	
Less: Inventory March 31, 1942	942,331 69	
	<hr/>	
	5,106,961 07	
Excess of Revenues over Expenditures		48,902 23

STATIONERY BRANCH

Stationery sold to departments, \$5,530,259.80;		
sundry sales, \$3,620.16	5,533,879 96	
Deduct: Cost of goods sold:		
Inventory April 1, 1941	145,203 04	
Salaries, \$109,666.58; wages of prevailing rates		
staff, \$8,509.74	118,176 32	
Materials and supplies	5,168,237 79	
Office printing, stationery and other expendi-		
tures	67,959 97	
	<hr/>	
	5,499,577 12	
Less: Inventory March 31, 1942	174,052 05	
	<hr/>	
	5,325,525 07	
Excess of Revenues over Expenditures		208,354 89
Excess of Revenues over Expenditures de-		
posited to Casual Revenue		\$ 257,257 12

Certified correct.

EDMOND CLOUTIER,
King's Printer.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and I certify that in my opinion they are correct.

The stock of stationery, printing materials and supplies in store, was checked, under my direction, with the quantities purchased and supplied, as required by Section 35 (2) of the Public Printing and Stationery Act, Chap. 162, R.S. 1927.

WATSON SELLAR,
Auditor General.

Audit Note

Under Section 38 of the Public Printing and Stationery Act as amended, the amount of the outstanding advances after deducting therefrom all amounts due to the King's Printer by either House of Parliament or by the several departments shall at no time exceed \$700,000. It may be observed that the outstanding advances at the close of the fiscal year 1941-42 amounted to \$1,116,383.74, which exceeded the statutory authority by \$416,383.74.

Comments on Expenditures

As of March 31, 1942, there were 214 employees paid from this account, prevailing rates staff not included. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): C. J. Baldwin, \$3,120; E. F. Bambrick, \$2,520; J. J. Bolger, \$2,400; J. H. Byrne, \$3,360; F. W. Byron, \$2,460; J. Cairncross, \$2,700; O. Charette, \$2,700; A. C. Cowtan, \$2,700; R. W. H. Currie, \$3,120; J. A. DeGagne, \$2,460, special allowance for supervision of staff on night shift, \$228.54; J. E. Desrosiers, \$2,700; J. W. Driscoll, \$4,020; F. M. Farrell, \$2,700; P. A. Gay, \$4,920; W. Hamilton, \$2,520; F. A. Hewton, \$2,700; I. Jobin, \$2,700; M. E. Keane, \$2,760; A. Lacoste, \$2,520; G. F. Lamb, \$3,000; A. H. MacDonald, \$2,580 (Oct. 17); J. M. Mahoney, \$3,840; W. Manary, \$2,760; J. E. McCarthy, \$2,400 (Nov. 11); S. McCartney, \$2,760; H. M. McClory, \$3,120 (Apr. 18); T. A. Parker, \$2,700; L. A. Pelton, \$3,120; F. W. Pooler, \$3,120; J. L. A. Quirouette, \$2,700; D. A. Reny, \$2,700; B. E. Rothwell, \$2,700; W. Slattery, \$2,700 (Oct. 26).

Paper, printing material, etc., purchased for the Printing Branch, amounted to \$2,027,659.40. The following payments of \$5,000 or over were made: Alliance Paper Mills Ltd., Merritton, \$38,615.07; Barber-Ellis of Canada, Ltd., Toronto, \$49,772.47; J. R. Booth, Ltd., Ottawa, \$189,982.63; Brown Brothers Ltd., Toronto, \$21,652.01; Canada Envelope Co., Montreal, \$29,133.14; Canada Paper Co., Montreal, \$127,774.82; Comptoir National, Montreal, \$19,503.28; W. V. Dawson Ltd., Montreal, \$15,924.43; Dominion Envelope Co., Ltd., Toronto, \$8,344.36; Dominion Paper Co., Montreal, \$5,454.86; Don Valley Paper Co., Ltd., Toronto, \$73,144.52; E. B. Eddy Co., Ltd., Hull, \$202,164.39; W. J. Gage & Co., Ltd., Toronto, \$50,296.62; Globe Envelopes, Ltd., Toronto, \$42,606.83; Gummed Papers, Ltd., Brampton, \$12,000.01; Litho-Print, Ltd., Toronto, \$19,731.18; John Neville Paper Co., Ottawa, \$7,081.20; Provincial Paper Ltd., Toronto, \$144,722.61; Rolland Paper Co., Ltd., Montreal, \$362,196.58; Howard Smith Paper Mills, Ltd., Montreal, \$421,839.68; St. Maurice Valley Paper Co., Ltd., Montreal, \$16,805.54; Southam Press, Montreal, \$6,387.69; Whyte-Hooke Paper Co., Ltd., Toronto, \$20,818.93; J. C. Wilson, Ltd., Montreal, \$6,023.06.

Printing, binding, lithographing, etc., done outside the Printing Bureau amounted to \$2,323,018.38, of which the following firms received over \$5,000: Appleford Paper Products Ltd., Hamilton, \$6,094.55; Arthurs-Jones Ltd., Toronto, \$18,209.92; Ashton-Potter, Ltd., Toronto, \$13,636.68; The Beauregard Press, Ottawa, \$10,139.84; The Benallack Lithographing & Printing Co., Ltd., Montreal, \$38,371.69; T. H. Best Printing Co. Ltd., Toronto, \$9,729.38; Bomac Federal Ltd., Montreal, \$13,591.13; Brigdens Ltd., Toronto, \$12,887.07; Burt Business Forms Ltd., Toronto, \$87,190.68; Business Systems Ltd., Toronto, \$73,507.88; Canada Leather Goods, Ottawa, \$7,115.30; Canadian Bank Note Co. Ltd., Ottawa, \$70,654.29; Canadian Printing & Lithographing Co., Ltd., Montreal, \$21,372.06; Charrier & Dugal, Ltd., Quebec, \$12,950.06; Commercial Printers, Ltd., Regina, \$13,351.29; Copeland-Chatterson Ltd., Brampton, \$38,576.46; Copp Clark Co. Ltd., Toronto, \$28,521.02; Crain Printers Ltd., Ottawa, \$208,421.46; Curtis Co Ltd., Windsor, \$7,165.74; Dadson-Merrill Press, Ltd., Ottawa, \$59,650.68; Desbarats Printing Co. Ltd., Montreal, \$7,904.16; Dominion Looseleaf Co., Ltd., Ottawa, \$55,548.07; Robert Duncan & Co. Ltd., Hamilton, \$7,390.67; Federated Press Ltd., Montreal, \$265,320.56; W. J. Gage & Co., Ltd., Toronto, \$5,304.46; Gazette Printing Co., Ltd., Montreal, \$6,186.78; The Herald Press Ltd., Montreal, \$56,631.56; Hutchings & Patrick Ltd., Ottawa, \$18,794.90; La Cie de Pub. "Le Nouvelliste", Ltée., Trois-Rivieres, \$6,014.36; La Lithographie du St-Laurent Limitée, Montreal, \$82,088.84; La Patrie Publishing Co., Ltd., Montreal, \$45,941.12; Le Droit, Ottawa, \$49,750.10; The Legge Press (Canada) Ltd., Ottawa, \$8,777.71; Le Soleil Limitée, Quebec, \$11,410.15; Litho-Print, Ltd., Toronto, \$11,301.02; Lowe-Martin Co., Ltd., Ottawa, \$54,095.53; MacLean Publishing Co., Ltd., Toronto, \$5,726.45; Miller Lithographic Co., Ltd., Toronto, \$19,713.36; Mortimer, Limited, Ottawa, \$180,827.81; Mutual Press Ltd., Ottawa, \$7,448.69; National Printers Ltd., Ottawa, \$36,186.33; Offset Print & Litho Ltd., Toronto, \$10,514.91; Ottawa Photo Engraving Co., Ottawa, \$7,875.06; Photo Engravers & Electrotypers Ltd., Toronto, \$23,027.29; Progressive Printers, Ottawa, \$5,927.26; The Public Press, Ltd., Winnipeg, \$7,242.72; Rapid Grip and Batten Ltd., Montreal,

\$15,073.62; Reid Bros. and Company, London, \$7,059.70; Richardson, Bond & Wright, Ltd., Owen Sound, \$23,527.60; Rolph-Clark-Stone Ltd., Toronto, \$70,113.22; The Ronalds Co., Ltd., Montreal, \$43,661.53; Rous & Mann, Ltd., Toronto, \$49,581.35; Runge Press, Ltd., Ottawa, \$58,761.97; Saturday Night Press, Toronto, \$5,192.60; R. C. Smith & Son, Ltd., Toronto, \$8,939.40; Southam Press, Toronto, \$34,717.34; Stovel Co., Ltd., Winnipeg, \$6,604.40; Villemaire Bros., Montreal, \$18,049.80.

Materials and supplies purchased for the Stationery Branch amounted to \$5,168,237.79. The following payments of \$5,000 or over were made: Acme Carbon & Ribbon Co., Ltd., Toronto, \$23,226.81; Acme Office Supplies Ltd., Ottawa, \$65,176.73; Addressograph-Multigraph of Canada Ltd., Toronto, \$132,218; Andrews Wire Works of Canada Ltd., Watford, \$19,083.44; Barber-Ellis of Canada Ltd., Toronto, \$5,070.94; Beauregard Press, Ottawa, \$28,701.48; Bostitch-Canada, Ltd., Montreal, \$60,803.25; Brown Brothers Ltd., Toronto, \$105,007.32; Budge Carbon Paper, Montreal \$39,075.19; Builders Sales Ltd., Ottawa, \$9,813.13; Buntin Gillies & Co., Ltd., Hamilton, \$5,987.68; Burroughs Adding Machine of Canada Ltd., \$46,778.91; Canada Carbon & Ribbon Co., Ltd., Toronto, \$23,828.55; Canada Paper Co., Montreal, \$6,409.73; Canadian Kodak Sales, Ltd., Toronto, \$5,059.46; Capital Carbon & Ribbon Co., Ltd., Eastview, \$45,089.90; Capital Stamp & Stationery Company, Ottawa, \$5,154.98; Carbon Paper Supply Co., Ltd., Montreal, \$20,719.64; Hugh Carson Co., Ltd., Ottawa, \$8,956.71; Carter's Ink Company of Canada, Ltd., Montreal, \$19,945.48; Continental Paper Products, Ltd., Ottawa, \$10,398.25; Cordage Distributors Ltd., Toronto, \$8,914.98; Crain Printers Ltd., Ottawa, \$8,511.60; Cutting Ltd., Toronto, \$21,186.01; W. V. Dawson, Montreal, \$5,033.95; Derrett Ltd., Toronto, \$15,323.67; Dictaphone Corporation Ltd., Toronto, \$28,897.78; Ditto of Canada, Ltd., Toronto, \$131,958.54; Dixon Pencil Co., Ltd., Newmarket, \$38,360.07; G. L. Dodds, Montreal, \$12,035; Dominion Duplicators Ltd., Toronto, \$32,296.61; Dominion Loose Leaf Co., Ltd., Ottawa, \$45,031.11; Dominion Paper Co., Montreal, \$15,079.81; Dominion Tack & Nail Co., Ltd., Galt, \$6,007.13; Don Valley Paper Co., Ltd., Toronto, \$37,627.99; Doon Twines Ltd., Kitchener, \$36,297.17; V. J. Dunne & Co., Ottawa, \$18,421.61; Eagle Pencil Co., Ltd., Toronto, \$69,476.88; Eberhard Faber Pencil Co., Ltd., Toronto, \$5,071.40; E. B. Eddy Co., Ltd., Hull, \$192,779.27; Thomas A. Edison of Canada, Ltd., Toronto, \$14,335.96; Evans & Kert, Ltd., Ottawa, \$158,791.91; Federal Typewriter Co., Ltd., Ottawa, \$221,280.03; W. J. Gage & Co., Ltd., Toronto, \$46,153.21; D. Gestetner (Canada) Ltd., Ottawa, \$200,659.77; Globe Envelope Ltd., Toronto, \$5,450.46; Grand & Toy, Ltd., Toronto, \$18,532.03; Gummed Papers Ltd., Brampton, \$38,221.92; J. M. Hill, Ottawa, \$57,421.46; Hutchings & Patrick Ltd., Ottawa, \$12,332.46; Imperial Typewriters of Canada, \$31,916.72; Instruments Ltd., Ottawa, \$60,283.96; International Business Machines Co., Ltd., Toronto, \$167,375.32; Keuffel & Esser Co., Montreal, \$44,065.88; Librairie Beauchemin Ltd., Montreal, \$31,663.88; Lowe-Martin Co., Ltd., Ottawa, \$117,473.30; MacMillan Company of Canada Ltd., Toronto, \$5,384.98; MacMillan Office Appliances, Westboro, \$46,589.02; Marchant Calculators Ltd., Toronto, \$13,280; Thos. E. Mason, Montreal, \$48,036.47; A. J. McCrae & Son, Toronto, \$5,713.99; McFarlane Son & Hodgson Ltd., Montreal, \$41,711.27; Mitchell & McGill, Toronto, \$17,283.10; Montreal Office Machines Ltd., Montreal, \$7,300.70; National Cash Register Co., of Canada Ltd., Ottawa, \$17,268.19; Office Specialty Mfg. Co., Ltd., Newmarket, \$95,353.34; Ontario Hughes-Owens Co., Ltd., Ottawa, \$101,128.85; Ottawa Paper Box Company Ltd., \$6,649.61; Ottawa Typewriter Co., Ltd., \$36,161.29; Oxford University Press, Toronto, \$5,550.37; Peerless Carbon & Ribbon Co., Ltd., Toronto, \$39,273.22; Leonard A. Philip & Co., Toronto, \$12,285.19; Photostat Corporation, Toronto, \$16,446.04; J. E. Poole Co., Toronto, \$26,802.30; Pritchard-Andrews Company of Ottawa, Ltd., \$16,638.78; The J. Frank Raw Co., Ltd., Toronto, \$10,461.44; Remington Rand, Ltd., \$101,019.41; Rolland Paper Co. Ltd., Montreal, \$287,269.66; Roneo Company of Canada Ltd., Toronto, \$150,950.56; Rotaprint Company of Canada Ltd., Ottawa, \$17,117.65; Howard Smith Paper Mills, Ltd., Montreal, \$461,448.36; Southam Press Ltd., Montreal, \$27,929.18; The Steel Equipment Co., Ltd., Pembroke, \$7,262.92; Thorburn & Abbott Ltd., Ottawa, \$55,532.69; Underwood Elliott Fisher Ltd., \$227,367.06; Venus Pencil Co., Ltd., Toronto, \$39,968.73; Visible Records Ltd., Scarboro, \$20,812.24; Warwick Bros. & Rutter, Ltd., Toronto, \$6,798.77; L. E. Waterman Co., Ltd., Montreal, \$17,190.82; Willson Stationery Co., Ltd., Winnipeg, \$7,658.64; J. C. Wilson, Ltd., Montreal, \$21,750.59.

DEPARTMENT OF PUBLIC WORKS

REVENUES

	Summary	1941-42	1940-41
Ordinary Revenues—			
Ferry Licences		2,380 00	2,467 00
Graving Docks		232,119 40	180,612 31
Telegraph Lines		224,012 81	190,282 41
Casual Revenues		361,683 61	223,585 22
		<u>\$ 820,195 82</u>	<u>\$ 596,946 94</u>

Revenues from the operations of graving docks were increased by \$51,507.09. (Champlain Dry Dock, \$8,446.41; Lorne Dry Dock, \$13,214.90; Esquimalt Dry Dock, \$35,153.99).

Receipts from government-owned telegraph and telephone lines were increased by \$33,730.40.

Casual revenue was increased by \$138,098.39. Rents from buildings and sites increased \$8,955.01, earnings of dredges and plant, \$9,086.62, sales of movables, \$83,925.65. Refunds of previous years' expenditure increased \$35,796.30.

Details

Ferry Licences—		
A Rentals from licences		2,380 00
Graving Docks—		
B Earnings of dry docks, etc.		
Champlain dry dock, Lauzon, Que.		90,792 18
Lorne dry dock, Lauzon, Que.		39,174 90
Selkirk, Man., repair slip		1,873 30
Esquimalt, B.C., new dry dock		100,279 02
		<u>232,119 40</u>
Telegraph Lines—		
C Earnings of telegraph and telephone lines		
Bay of Fundy		2,104 19
Cape Breton		9,174 33
Magdalen Islands		4,230 12
Quebec District		27,094 37
Maniwaki—Ste. Therese		119 00
Pelee Island, Ont.		333 50
Killarney, Ont.		169 70
Saskatchewan and Alberta		34,575 31
Vancouver Island		60,897 00
Yukon and B.C. Northern		85,315 29
		<u>224,012 81</u>

Casual Revenue—

D	Commissions from telephone booths in Public Buildings	5,097 40
E	Earnings of dredges and plant	59,958 55
F	Received for work done by Photographic Branch	29,559 62
G	Refunds against expenditures of previous years	55,284 58
H	Rents from public buildings and sites.....	102,931 98
	Rents from sundry telegraph lines and offices	132 00
	Rents from sundry works, water lots, etc.	12,402 82
I	Sales of movables, furniture, fittings, lumber, scrap, etc.	94,571 45
	Sale of real estate	1,048 48
	Water collections, William Head pipe-line	606 44
	Sundry receipts	90 29
		<i>361,683 61</i>
		<hr/> \$ 820,195 82 <hr/>

Certified correct.

W. P. HARRELL,
Asst. Deputy Minister.

In accordance with the provisions of section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

- A** Ferry licences are issued under authority of the Ferries Act, c. 68 R.S.
- B** Fees charged for services performed by the dry docks are regulated by Order in Council: Champlain and Lorne Docks by P.C. 1425, July 23, 1927; Selkirk Repair Slip by P.C. 1548, June 13, 1935, and Esquimalt Dock by P.C. 1141, May 12, 1932.
- C** Telegraph charges are approved by the Board of Transport Commissioners.
- D** Commissions are a percentage of the tolls collected by the telephone companies.
- E** Hire of dredges amounted to \$26,257.81; of scows, \$17,289.40; and tugs, \$11,914.22.
- F** Consists mainly of sales of blue prints and photographic work to various Government Departments.
- G** Refunds include \$34,785.82, the value of materials on hand from closed out contracts used on other projects.
- H** Rents are authorized by Order in Council with the exception of properties under lease at the time of purchase. Bank of Canada, \$9,907.10; Board of Grain Commissioners, \$6,388.24; Canadian National Railways, \$13,643.50; Caswells Ltd., \$6,800; Ford Hotel, \$5,000.
- I** A payment in full of \$35,000 was received for materials and machinery taken possession of by Halifax Shipyards Ltd. on or after shipyards went into possession of Dry Dock property. The dredge Ajax, etc., was sold to the B.C. Bridge and Dredging Co. Ltd., for \$43,100.

APPROPRIATIONS AND EXPENDITURES

A total of \$14,380,121.62 was available for expenditure on account of the Department of Public Works of which \$12,643,409 was provided in the annual appropriation acts, \$1,365,187.87 was authorized by continuing statutory provisions, amounts of \$100 and \$1,424.75 were transferred from appropriations voted under the Department of Finance and \$370,000 from the Department of Labour. Expenditures in the fiscal year 1941-42 were \$13,087,477.96, a decrease of \$2,408,126.41 from the expenditures of \$15,495,604.37 in 1940-41.

AUDITOR GENERAL'S REPORT

In addition a total of \$4,823,971.35 was allotted to the Department from the War Appropriation. Expenditures thereunder amounting to \$4,496,944.47 are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
	Statutory Salary of Minister, Salaries Act, c. 182, R.S.	10,000 00	10,000 00	
	Statutory Motor Car Allowance to Minister, Appropriation Act. No. 5, c. 61, 1931	2,000 00	2,000 00	
257	Departmental Administration . . .	188,030 00	173,310 06	14,719 94
CHIEF ARCHITECT'S BRANCH				
258	Branch Administration	215,280 00	205,307 33	9,972 67
259	Ottawa—Maintenance and Operation of Dominion Public Buildings and Grounds, including rents, repairs, furniture, heating, etc.	2,673,959 00	2,668,795 53	5,163 47
260	Maintenance and Operation of Dominion Public Buildings and Grounds, other than at Ottawa, including rents, repairs, furniture, heating, etc.	3,478,430 00	3,381,988 70	96,441 30
261	Telephone Service at Ottawa	97,000 00	96,876 69	123 31
262 }	Telephone Service, other than at			
315 }	Ottawa	8,039 35	8,039 35	
CONSTRUCTION, REPAIRS AND IMPROVEMENTS OF PUBLIC BUILDINGS				
263	Maritime Provinces Generally Dominion Public Buildings— Improvements and repairs	50,000 00	45,632 35	4,367 65
	Quebec			
264	Dominion Public Buildings— Improvements and repairs	100,000 00	94,037 64	5,962 36
	Ontario			
265	Dominion Public Buildings— Improvements and repairs	100,000 00	96,511 19	3,488 81
	Manitoba			
266	Dominion Public Buildings— Improvements and repairs	35,000 00	27,335 08	7,664 92
	Saskatchewan			
267	Dominion Public Buildings— Improvements and repairs	35,000 00	33,339 66	1,660 34
	Alberta			
268	Dominion Public Buildings— Improvements and repairs ..	35,000 00	17,641 17	17,358 83
	British Columbia			
269	Dominion Public Buildings— Improvements and repairs	50,000 00	48,206 13	1,793 87
	Generally			
270	Dominion Immigration Buildings— Repairs, improvements, etc.	35,000 00	28,869 41	6,130 59
271	Dominion Quarantine Stations— Maintenance and repairs	17,000 00	15,874 30	1,125 70
272	Experimental Farms and Science Laboratories— Replacements, repairs and im- provements to buildings	100,000 00	99,784 05	215 95

No. of Vote	Services	Appropriations	Expenditures	Lapsed
273 }	Flags for Dominion Public Build-			
504 }	ings	8,000 00	6,367 13	1,632 87
274	Public Buildings Generally—			
	Repairs, alterations, fittings and			
	improvements	200,000 00	181,027 49	18,972 51
275	Veterans' Hospitals—			
	Repairs, improvements and			
	alterations	60,000 00	55,516 97	4,483 03
CHIEF ENGINEER'S BRANCH				
276	Branch Administration	189,570 00	176,591 87	12,978 13
277	Engineering, including salaries of			
	engineers, clerks, etc.	490,390 00	434,672 67	55,717 33
DREDGING				
278	General Superintendence	9,275 00	7,975 26	1,299 74
279	Maritime Provinces	349,700 00	235,838 72	113,861 28
280 }	Ontario and Quebec	267,621 85	267,621 85	
315 }				
281 }	Manitoba, Saskatchewan and Alberta	54,762 09	54,762 09	
315 }				
282 }	British Columbia	195,000 00	185,164 66	9,835 34
512 }				
MAINTENANCE AND OPERATION OF GRAVING DOCKS, LOCKS AND DAMS, ETC.				
283	Champlain Graving Dock	61,380 00	58,539 50	2,840 50
284	Esquimalt Graving Dock	70,630 00	69,596 13	1,033 87
285	Lorne Graving Dock	31,740 00	30,773 84	966 16
286	Selkirk Repair Slip	3,800 00	3,703 73	96 27
287	Locks and Dams	49,174 00	46,504 89	2,669 11
288	Snagboats	41,600 00	38,471 62	3,128 38
MAINTENANCE AND OPERATION OF ROADS AND BRIDGES				
289	Burlington Channel Bridge	14,700 00	12,847 20	1,852 80
290	Kingston, LaSalle Causeway	15,429 00	14,827 94	601 06
291	New Westminster Bridge	48,174 00		48,174 00
292 }	Ottawa—Bridges and approaches..	7,958 45	7,958 45	
315 }				
293	Generally	19,500 00	16,043 54	3,456 46
SUBSIDIES TO DRY DOCKS c. 191, R.S.				
Statutory	Burrard Dry Dock (North Van-			
	couver)	112,500 00	112,500 00	
Statutory	Montreal Floating Dry Dock	105,000 00	105,000 00	
Statutory	Prince Rupert Floating Dock	76,970 88	76,970 88	
Statutory	Saint John Dry Dock	247,500 00	247,500 00	
CONSTRUCTION, REPAIRS AND IMPROVE- MENTS—HARBOURS AND RIVERS				
Nova Scotia				
294	Harbours and Rivers Generally—			
	For maintenance of services, no			
	new works to be undertaken..	225,000 00	175,238 90	49,761 10
505	Dingwall, Improvements	83,300 00	6,905 57	76,394 43

AUDITOR GENERAL'S REPORT

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Prince Edward Island				
295 }	Harbours and Rivers Generally—			
507 }	For maintenance of services, no new works to be undertaken..	100,000 00	29,382 91	70,617 09
506	Souris. Breakwater repairs	29,000 00	74 54	28,925 46
New Brunswick				
296	Harbours and Rivers, Generally—			
	For maintenance of services, no new works to be undertaken...	80,000 00	70,220 39	9,779 61
508	Burnt Church, wharf repairs	18,000 00	13,867 34	4,132 66
Quebec				
297	Harbours and Rivers Generally—			
	For maintenance of services, no new works to be undertaken...	250,000 00	190,845 31	59,154 69
509	Richelieu River (Chambly Basin) —Dredging	17,900 00	3,065 98	14,834 02
Ontario				
298 }	Harbours and Rivers Generally—			
510 }	For maintenance of services, no new works to be undertaken ...	130,000 00	99,008 97	30,991 03
	Grand River—Agreed contribution to improvements	168,000 00	158,276 55	9,723 45
	Hamilton—Maintenance dredging	50,600 00	49,730 22	869 78
	Port Colborne, Breakwater repairs	26,750 00	5,041 83	21,708 17
Manitoba				
299	Harbours and Rivers Generally—			
	For maintenance of services, no new works to be undertaken ...	20,000 00	3,705 08	16,294 92
Saskatchewan, Alberta and North- west Territories				
300	Harbours and Rivers Generally—			
	For maintenance of services, no new works to be undertaken ...	10,000 00	1,341 35	8,658 65
British Columbia and Yukon				
301	Harbours and Rivers Generally—			
	For maintenance of services, no new works to be undertaken ...	90,000 00	83,428 92	6,571 08
511	Zeballos—wharf extension and shed	3,300 00	3,269 69	30 31
Generally				
513	Protection Works Generally ...	200,000 00	153,637 56	46,362 44
514	Balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1941-42	30,000 00	19,813 28	10,186 72
TELEGRAPH BRANCH				
302	Branch Administration	27,120 00	24,245 68	2,874 32
TELEGRAPH AND TELEPHONE SERVICES —OPERATION AND MAINTENANCE				
303 }	Land and Cable Telegraph Lines—			
315 }	Lower St. Lawrence and Maritime Provinces, including working ex- penses of vessels for cable work	137,400 19	137,400 19	

No. of Vote	Services	Appropriations	Expenditures	Lapsed
304	Alberta and Saskatchewan	87,760 00	86,389 87	1,370 13
305 }	Divisional Superintendent's Office,			
67 }	Vancouver	13,224 75	12,605 65	619 10
306	British Columbia—Northern and Yukon Districts	129,508 00	117,969 00	11,539 00
307 }	British Columbia—Vancouver Island			
315 }	District	101,236 06	101,221 06	15 00
308	Telegraph and Telephone Service Generally	5,000 00	4,145 86	854 14
RECONSTRUCTION, REPAIRS AND IMPROVEMENTS				
309	Maritime Provinces and Lower St. Lawrence	12,000 00	11,791 84	208 16
310	Saskatchewan and Alberta	12,000 00	6,905 81	5,094 19
311 }	British Columbia—Northern and			
315 }	Yukon Districts	17,422 73	17,422 73	
312	British Columbia—Vancouver Island District	9,000 00	8,894 97	105 03
GENERAL				
313	National Gallery of Canada	43,720 00	43,618 80	101 20
314	Miscellaneous Works, not otherwise provided for, not more than \$3,000 to be expended on any one work	50,000 00	26,376 88	23,623 12
315	To supplement, on approval of Treasury Board, except where less than \$200 is required, any of the appropriations of the Department of Public Works 100,000 00			
	Less transferred to Ordinary Expen- diture	21,550 72	78,449 28	78,449 28
68	Unforeseen Expenses, \$80,000; transfer	100 00	100 00	
Statutory	Exchequer Court Awards	732,588 26	732,588 26	
Statutory	Halifax Shipyards Ltd., Consolidated Revenue and Audit Act, c. 27, 1931	30,717 24	30,717 24	
SUPERANNUATION AND RETIREMENT BENEFITS				
Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22 R.S.	7,431 64	7,431 64	
Total Ordinary Expenditure		12,986,641 77	11,937,004 94	1,049,636 83
SPECIAL				
CHIEF ARCHITECT'S BRANCH CONSTRUCTION, REPAIRS, AND IMPROVEMENTS				
316 }	To close out contracts	590,000 00	545,819 35	44,180 65
515 }				
316	Toronto Postal Station "A" Im- provements	36,000 00	25,896 14	10,103 86

AUDITOR GENERAL'S REPORT

No. of Vote	Services	Appropriations	Expenditures	Lapsed
CHIEF ENGINEER'S BRANCH CONSTRUCTION, REPAIRS AND IMPROVEMENTS				
317	To close out contracts	357,000 00	248,864 58	108,135 42
GENERAL				
111	To provide for Relief Projects, \$2,722,700; transfer	370,000 00	289,413 10	80,586 90
Statutory	Exchequer Court Awards	40,479 85	40,479 85	
	Total Special Expenditure	1,393,479 85	1,150,473 02	243,006 83
	Total	\$14,380,121 62	\$13,087,477 96	\$1,292,643 66

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Salary of Minister of Public Works, Salaries Act, c. 182 R.S......\$ 10,000 00

Minister of Public Works, Hon. J. P. A. Cardin

Motor Car Allowance to Minister, Appropriation Act. No. 5, c. 61, 1931....\$ 2,000 00

Vote 257 Departmental Administration 188,030 00
Expenditures 173,310 06
Lapsed\$ 14,719 94

	Estimates details	Allotments authorized	Expenditures
A Salaries	172,030 00	172,030 00	158,009 48
B Printing and Stationery	10,000 00	10,000 00	10,000 00
C Travelling Expenses	1,500 00	1,200 00	616 65
D Sundries	4,500 00	4,800 00	4,683 93
	\$ 188,030 00	\$ 188,030 00	\$ 173,310 06

Comments on Expenditures

A As of March 31, 1942, there were 85 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. B. Hunter, Deputy Minister \$10,000 (Nov. 30); W. P. Harrell, Asst. Deputy Minister, \$4,620; A. J. Crerar, \$4,140; H. A. Cross, \$2,640; H. F. G. Dawson, \$3,420; A. E. Day, \$2,820; J. A. Drouin, \$3,720; E. Dufour, \$4,080; B. F. Hart, \$3,000; J. E. Huot,

\$3,720; E. McIntyre, \$3,120; C. A. Narraway, \$3,720; W. E. O'Brien, \$4,920; C. Pinard, \$2,700; F. Plunkett, \$3,000; A. A. Rivard, \$3,300; L. Sarault, \$2,400; R. A. Sauriol, \$2,400; J. M. Somerville, \$4,620; M. N. Stewart, \$2,400.

E. McIntyre received an additional amount of \$381.77 while serving as private secretary to the Minister of Labour from Apr. 1 to Dec. 15 (Vote 99), and \$158.23 secretarial allowance while employed on the staff of the Secretary of State from Dec. 16 to Mar. 31 (Vote 326).

D Includes \$862.55 for postage, \$580.28 for telegrams, \$2,142.90 for telephone calls and \$150 for scale.

CHIEF ARCHITECT'S BRANCH

Vote 258 Branch Administration	215,280 00
Expenditures	205,307 33
Lapsed	\$ 9,972 67

	Estimates details	Allotments authorized	Expenditures
A Salaries	203,280 00	203,280 00	196,905 51
B Printing and Stationery	6,000 00	6,000 00	4,405 70
C Travelling Expenses	3,000 00	3,000 00	1,845 43
D Sundries	3,000 00	3,000 00	2,150 69
	\$ 215,280 00	\$ 215,280 00	\$ 205,307 33

Comments on Expenditures

A As of March 31, 1942, there were 79 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): C. D. Sutherland, Chief Architect, \$6,500; A. D. Anderson, \$3,480; V. F. R. Berton, \$2,700; C. S. Boucher, \$3,360; J. C. G. Brault, \$5,280; W. C. Chalmers, \$3,120; L. E. Corbeil, \$2,700; A. S. Davis, \$3,120; R. Donnell, \$3,120; J. C. Emond, \$2,580; W. L. Fawcett, \$2,580; J. A. Ferguson, \$3,720; J. R. Grant, \$2,520 (suspended from Nov. 14); F. O. Hamel, \$4,140; A. Hearnden, \$2,400; J. A. Heisler, \$3,720; W. J. Hickey, \$4,140; W. Huber, \$4,140; D. H. Hunter, \$3,120; A. Keefer, \$3,480; J. T. E. Lavoie, \$2,700; P. A. Lefort, \$3,120 (Oct. 21); H. G. Legg, \$3,300; L. J. Lockary, \$2,820; J. C. Longstaff, \$2,820; J. W. L. McLean, \$3,720; H. W. Merrill, \$2,820; J. Owen, \$3,480; T. D. Rankin, \$5,100; A. W. Reynolds, \$2,700; R. J. P. Rouleau, \$2,400; A. Scott, \$3,120 (Oct. 7); W. J. Scrim, \$2,400; W. L. Smith, \$3,120; R. Steele, \$2,700; J. Sterling, \$3,000; E. E. Temple, \$4,140; J. W. D. Thompson, \$2,700; D. Williams, \$3,480; D. A. Williamson, \$4,140; S. J. Wood, \$2,940; A. B. Wright, \$3,120.

C Travelling expenses for E. E. Temple amounted to \$390.15.

D Includes \$1,546.73 for telegrams and \$545.35 for telephone calls.

Vote 259—Ottawa—Maintenance and Operation of Dominion Public Buildings and Grounds including Rents, Repairs, Furniture, Heating, etc.	2,673,959 00
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Vote 315 To supplement on approval of Treasury Board, except when less than \$200 is required, any of the appropriations of the Department of Public Works, \$100,000; transfer....	44,000 00
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	2,717,959 00
Expenditures	2,668,795 53
Lapsed	\$ 49,163 47

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	1,029,029 00	1,093,029 00	1,090,803 50
B Rents	730,000 00	638,200 00	637,247 74
C Light and Power	233,800 00	255,800 00	255,369 19
D Water and Water Rates	56,000 00	61,000 00	60,918 60
E Furniture and Fittings	103,000 00	76,000 00	75,317 08
F Materials and Supplies	510,130 00	537,930 00	537,139 42
G Inspection of Fire Equipment	12,000 00	12,000 00	12,000 00
	<u>\$2,673,959 00</u>	<u>\$2,673,959 00</u>	<u>\$2,668,795 53</u>

Comments on Expenditures

By Section 9 (f) of the Public Works Act, c. 166 R.S., the Minister shall have the management, charge and direction of the heating, maintenance and keeping in repair of the Government buildings at the seat of government and any alteration from time to time requisite therein, and the supplying of furniture and fittings, or repairs to the same.

This vote makes provision for the expenditures incurred.

A As of March 31, 1942, the employees paid from this allotment were as follows:—

Maintenance Staff	176
Char Service	1,260
Elevator Staff	122
Heating Staff	161
Rideau Hall	24
	<u>1,743</u>

The following employees were receiving annual salaries of \$2,400 or over on March 31, 1942, or at date of separation (shown in brackets): R. O. Croll, \$2,520 (and house); A. Hudon, \$2,520; D. Laverie, \$2,880; W. J. McInninch, \$2,520; A. McWade, \$2,400; E. A. Platt, \$3,600; D. L. Thorburn, \$2,520; W. Wiley, \$4,080 (May 5); F. H. Wilson, \$2,940.

The following employees, paid prevailing rates, received over \$2,400 during the year: R. W. Lyon, \$2,589.72; A. McCagg, \$2,872.25; A. Mayer, \$2,542.81; O. St. Aubin, \$2,622.59; A. Stewart, \$2,852.48.

B Rentals for space required by Government service at Ottawa were as follows:—

Landlord	Building	Occupied Area Sq. ft.	Expenditures
H. Birks & Sons	Birks	22,301	\$13,746 34
R. L. Blackburn	Plaza	15,642	14,526 12
R. L. & R. Blackburn	Blackburn	69,151	66,536 37
R. L. & R. Blackburn	Motor	43,935	29,637 62
C. J. Booth	Jackson—adjustment of rentals to Dec. 31, 1940—P.C. 4457, June 20, 1941		11,274 03
C. J. Booth	Transportation	12,890	14,315 70
Booth & Holbrook	Booth	16,495	17,319 75
Estate J. C. Brennan	Trafalgar	16,918	15,750 62
Estate J. C. Brennan	199 Queen St.	1,800	150 00
Estate H. Brouse	Castle	34,000	8,000 00
Estate H. Brouse	Insurance Exchange	7,506	8,542 50
Estate H. Brouse	78 Sparks	1,120	280 00
Bryson Realty Co.	Bryson	12,280	10,438 00
Builders' Sales Co.	Old Duhamel	5,975	2,390 00
Builders' Sales Co.	529 Sussex St.	11,140	6,871 78
County Orange Lodge No. 9	Orange Hall	11,350	8,250 00
J. W. D'Amour	Robinson	34,301	24,650 07
J. Grant	Grant	27,000	9,000 00

Landlord	Building	Occupied Area Sq. ft.	Expenditures
Estate Dr. J. E. Hanna	Regal	23,112	15,450 00
Imperial Realty Co.	Canadian	76,772	54,077 40
Imperial Realty Co.	Woods	53,874	37,957 32
Imperial Realty Co.	66 Queen St.	9,796	6,897 12
S. S. Kresge Co. Ltd.	Rideau St.	17,485	12,195 00
Estate P. Labelle	Labelle	72,372	34,648 00
J. A. MacKenzie	MacKenzie	24,490	16,000 00
Metropolitan Stores Ltd.	Arcade	24,000	12,000 00
Norlite Realty Co.	Forest Products Laboratory	38,400	17,800 00
Norlite Realty Co.	Norlite	42,516	43,000 00
Norlite Realty Co.	130 Albert St.	8,769	1,000 00
Norlite Realty Co.	174-8 Wellington St.	16,520	10,500 00
Ottawa Car Manufacturing Co.	Ottawa Car Garage	19,080	10,632 00
Ottawa Electric Railway Co.	60 Queen St.	13,143	7,500 00
Ottawa Terminals Railway Co.	Union Station	28,122	22,849 00
Rideau Winter Club	Rideau Curling Club	14,432	6,374 98
R.C. Episcopal Corporation	Monument National	21,533	14,974 56
Royal Bank of Canada	Royal Bank Chambers	17,925	15,608 79
Royal Trust Co.	Royal Trust	1,500	2,400 00
Royal Trust Co.	Steele	17,829	9,998 84
Slater & Sherwood	193 Sparks St.	7,399	5,550 00
Sovereign Realty Co.	Besserer	13,920	6,000 00
Sovereign Realty Co.	Sovereign	16,436	13,911 96
Sovereign Realty Co.	Stephen	9,995	7,500 00
Sun Life Assurance Co.	Central Chambers	8,838	9,197 46
Sun Life Assurance Co.	Sun Life	1,550	250 00
Therien & Co.	Therien	31,500	9,850 00
Toronto General Trusts Corp.	Earlscourt Apartments	12,000	8,000 00
Toronto General Trusts Corp.	Trusts	1,212	1,272 60
Victoria Realty Co.	Victoria	5,330	8,443 92
Vimy Realty Co.	Vimy	26,500	12,000 00
Sundry rentals each less than \$5,000:			65,038 33
Clock-line service, \$579.15; taxes, \$94,837.48			95,416 63
Total rentals			\$855,972 81

Of the rentals shown, \$218,725.07 was charged to War Allotment for rentals of properties housing War Staffs.

Under terms of the lease with the Imperial Realty Co., city taxes amounting to \$17,355.45 were paid from this allotment.

Taxes on Legation properties were as follows: Australian residence, \$2,230.37; Brazilian residence, \$1,184.20; British High Commissioner's residence and office, \$6,686.23; French Legation, \$39,815.69; United State offices, \$23,845.54, residence, \$3,720.

C Cost of light and power for Government occupied buildings was \$315,238.30 of which \$59,869.11 was charged to War Appropriation.

The Ottawa Light Heat & Power Co. Ltd., received \$192,558.80 for current supplied the Government-owned buildings and \$16,976.72 for rented buildings.

The Ottawa Hydro-Electric Commission received \$50,799.69 for current supplied to Government-owned buildings and \$27,600.27 for rented buildings.

Ahearn and Soper were paid \$23,154.93 for supplying 108,397 electric light bulbs.

The expenditures for light and power exceeded \$5,000 for the following buildings:— Canadian, \$7,112.65; Central Experimental Farm, \$19,520.75; Confederation, \$9,655.04; Connaught, \$5,946.34; Daly, \$9,346.90; Fuel and Ore Testing Plant, \$15,903.79; Hunter, \$11,988.13; Jackson, \$11,865.55; Justice, \$7,531.70; National Research & Annex, \$18,534.06; New Post Office, \$5,009.79; New Supreme Court, \$9,797.03; Parliament Building, \$21,576.46; Postal Terminal, \$6,573.65; Printing Bureau, \$9,589.75; Statistics, \$7,565.79; Temporary No. 2, \$6,495.47; Temporary No. 3, \$6,480.81; Victoria Museum, \$7,291.76; Woods, \$5,071.52.

D The City of Ottawa received \$61,311.31 for metered water and \$4,351.34 for water charged on a flat rate basis. Of this \$5,698.90 was charged to War Appropriation.

The expenditures for water at the National Research and Annex were \$11,605.52 and at Rideau Hall \$5,561.47.

E Furniture and fittings for Government offices cost \$655,161.61 of which \$579,844.53 for staffs employed on war work was charged to War Allotment. Steel office equipment cost \$296,940.38, other furniture, desks, rugs, etc., \$356,767.21, and trucks, etc., \$1,454.02. The following firms received over \$5,000:—Canadian Public Booth Co., \$22,757; M. N. Cummings, \$5,744.67; Imperial Typewriters, \$5,037.87; Krug Furniture, \$9,228.61; Office Specialty Manufacturing Co., \$186,247.63; Ottawa Typewriter Company Ltd., \$19,913.08; H. H. Popham, \$135,676.21; Preston Furniture Co., \$85,342.36; Preston-Noelting Ltd., \$23,427.36; Steel Equipment Company Ltd., \$100,888.21; N. G. Valiquette, \$19,117.81; Vilas Furniture Co. Ltd., \$14,137.34.

F In addition to these expenditures of \$537,139.42 a total of \$786,799.08 for similar services for quarters of War Staffs was paid from War Allotment. Of these amounts \$423,030.06 was spent for heating offices, \$57,269.16 for supplies for char services, \$12,704.93 for repair to and supplies for Rideau Hall and \$1,749.42 was paid in gratuities to families of deceased employees.

Repairs and improvements to buildings amounting to \$819,956.92 included \$689,800.65 charged to War Allotments. Buildings with expenditures over \$5,000 were: Aylmer, Bate and Truro, \$8,741.43; Birks, \$13,200.71; Confederation, \$10,665.14; Elgin and Annex, \$5,011.30; Freiman, \$22,672.06; Harris-Campbell, \$18,104.11; Hunter, \$11,509.90; Jackson, \$58,053.18; Justice, \$6,800.67; Mortimer, \$5,926.53; National Research and Annex, \$16,419.60; Parliament Hill, \$9,002.96; Record Storage, \$9,732.99; Rideau Winter Club, \$7,200; Robinson, \$7,037.94; Supreme Court, \$16,519.21; Temporary 1, 2, 3 and 4, \$59,779.85; Temporary 5, \$6,076.39; Woods, \$7,242.13.

The following firms received over \$5,000: Ahearn & Soper Ltd., \$5,790.64; Builders' Sales Ltd., \$8,317.54; Canadian General Electric, \$13,513.37; Canadian National Railways, \$9,465.85; Casselman Co., \$6,039; Continental Paper Products, \$6,125; M. N. Cummings, \$58,369.29; Wm. D'Aoust, \$8,809; Doran Construction Company Ltd., \$19,109; Duford Limited, \$10,377.25; Dustbane Products, \$7,049.49; Geo. C. Graves Construction Co. Ltd., \$26,917.80; Hygiene Products, \$5,464.37; Imperial Oil, \$12,171.88; Independent Coal & Lumber Co., \$244,774.98; MacDonell & Conyers, \$5,145.20; Marchand Electric Co. Ltd., \$11,062.44; National Petroleum Ltd., \$90,855.92; Northern Electric Co. Ltd., \$6,045.41; Charles Ogilvy, \$7,213.57; Otis-Fensom Elevator Co., \$21,888.50; Ottawa Light Heat & Power, \$12,195.93; Snelling Paper Sales Ltd., \$5,439.91; Fred A. Wilson, \$25,302.50.

Expenditures of over \$5,000 were made for gas and steam heat in the following buildings:—National Research and Annex, \$6,332.97; Postal Terminal, \$9,465.85.

G Transferred to the Royal Canadian Mounted Police who are responsible for the inspection.

Vote 260 Maintenance and Operation of Dominion Public Buildings and Grounds, other than at Ottawa, including Rents,

Repairs, Furniture, Heating, etc. 3,478,430 00
Expenditures 3,381,988 70

Lapsed \$ 96,441 30

	Estimates details	Allotments authorized	Expenditures
A Salaries and Wages	1,605,781 00	1,690,781 00	1,687,650 20
B Rents	675,000 00	550,000 00	516,958 66
C Light and Power	390,000 00	440,000 00	428,448 46
D Water	95,000 00	95,000 00	83,389 71
E Furniture and Fittings	99,000 00	89,000 00	76,452 33
F Material and Supplies	573,649 00	573,649 00	562,787 04
G Sundries	40,000 00	40,000 00	26,302 30
	\$3,478,430 00	\$3,478,430 00	\$3,381,988 70

The expenditures by provinces were:

Nova Scotia	175,510 13
Prince Edward Island	28,005 52
New Brunswick	158,563 96
Quebec	914,615 15
Ontario	1,014,539 50
Manitoba	225,360 88
Saskatchewan	231,991 64
Alberta	213,025 28
British Columbia	336,670 30
Generally	16,600 71
London, England	41,977 54
Yukon	25,128 09
	<hr/>
	\$3,381,988 70
	<hr/>

Salaries and Wages:

Nova Scotia	80,994 97
Prince Edward Island	10,868 85
New Brunswick	83,725 48
Quebec	475,820 89
Ontario	531,479 36
Manitoba	112,373 59
Saskatchewan	93,145 51
Alberta	93,683 92
British Columbia	184,909 99
London, England	10,002 81
Yukon	10,644 53
	<hr/>
	\$1,687,650 20
	<hr/>

Comments on Expenditures

A As of March 31, 1942, there were 1,779 employees paid from this allotment. Of these the following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): C. F. Dawson, \$3,120; P. S. Hunter, \$2,580; H. M. Jones, \$2,400; J. P. Mines, \$3,420 (house \$300); E. Parkinson, \$2,880; H. A. Russell (May 14), \$3,120; C. Sellens, \$3,120; J. B. Shaw, \$2,700; R. Simard, \$3,600; G. J. Stephenson (Feb. 28), \$3,120; J. H. Whitford, \$3,120; R. Winter, \$4,140.

The following employees paid prevailing rates received over \$2,400 during the year: D. Clarke, \$2,957.52; H. L. Cook, \$2,477.16; C. C. Edmonds, \$2,477.16; J. Lamont, \$2,477.16; T. F. Powell, \$2,477.16; H. Popert, \$2,477.16; P. C. Stewart, \$2,477.16.

The employees on March 31 were distributed as follows: Maritime Provinces, 215; Quebec, 489; Ontario, 572; Manitoba, 128; Saskatchewan, 98; Alberta, 98; British Columbia, 163; Yukon, 3; London, 13.

In 405 buildings living quarters were occupied by employees. These quarters were valued as follows: 309 at \$300; 20 at \$240; 75 at \$180; and 1 at \$120. In 23 cases the quarters were in lieu of salary, in the other 381 the value of quarters was deducted from the authorized salary rate and the net amount only charged to the vote. The estimated value of these quarters is \$111,120.00.

B The office accommodation outside of Ottawa cost \$774,829.63, of which \$242,972.47 was charged to War Allotment and \$14,898.50 was repaid by the Post Office Department as rentals due for space occupied by commission post offices. The net charges were distributed as follows: Nova Scotia, \$30,729.35; Prince Edward Island, \$3,719.47; New Brunswick,

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\$15,567.21; Quebec, \$190,193; Ontario, \$270,573.62; Manitoba, \$28,717.71; Saskatchewan, \$61,441.16; Alberta, \$78,093.47; British Columbia, \$58,526.44; Yukon, \$660; London, England, \$21,709.70. The following list shows rentals of \$5,000 and over:—

	Landlord	Space Occupied (sq. ft.)	Expenditures
Montreal R.C.N.V.R.	Bell Telephone Co.	15,634	6,650 00
Montreal	Empire Life Insurance Co.	17,200	8,850 00
Montreal Postal Station N.	Labelle Building Co.	9,178	26,616 40
Montreal Forest Products	McGill University		7,581 43
Montreal	Prudential Assurance Co.	4,875	14,303 34
Quebec	Canadian Pacific Railway	6,000	6,000 00
Kitchener	Dunker Construction Ltd.	16,462	6,600 00
Toronto	H. Atlin & J. Zelman	13,930	9,900 00
Toronto	Balfour Building Co.	5,300	5,000 00
Toronto	Gibson Bros.	13,985	16,410 15
Toronto	V.E., G.E. & L.G. Mitchell	5,634	5,000 00
Toronto	Prudential Assurance Co.	7,195	7,575 00
Toronto	Toronto Terminals Rly. Co.	86,827	52,452 36
Toronto	Dr. J. H. Wood	8,671	8,640 00
Winnipeg	Canadian Pacific Railway	12,000	7,400 00
Regina	Canadian Pacific Railway	24,884	29,581 80
Regina	City of Regina	27,200	5,400 00
Regina	New Regina Trading Co.	11,223	5,588 97
Calgary	Blow Estate	37,016	17,820 00
Calgary	Canadian Pacific Railway	6,000	6,250 00
Edmonton	Blowey-Henry Co.	17,041	14,156 48
Edmonton	Canadian National Railway	10,885	8,561 50
Vancouver	Estate H. O. Bell-Irving	64,695	5,000 00
Vancouver	H. M. Fraser & Co.	8,700	6,200 00
London—Canada House	Commissioner of Crown Lands (ground rent)		8,940 00
	City of Westminster (Taxes)		12,680 08

C Light and Power includes supply of electric light bulbs for which Ahearn and Soper Ltd. received \$28,619.11, as follows: Maritime Provinces, \$5,334.95; Quebec, \$7,274.46; Ontario, \$10,420.69; Saskatchewan, \$1,003.15; Alberta, \$1,478.05; British Columbia, \$3,097.81.

The following firms supplying electric current received over \$5,000: British Columbia Electric Railway Co., \$30,618.66; Canadian Utilities Ltd., \$9,484.07; City of Calgary, \$5,444.55; City of Edmonton, \$3,783.11; City of Regina, \$6,081.33; City of Winnipeg Hydro-Electric System, \$9,787.28; Hamilton Hydro-Electric System, \$6,908.02; Manitoba Power Commission, \$5,360.55; Maritime Electric Co. Ltd., \$6,329.32; Montreal Light, Heat and Power Co., \$61,223.84; Nova Scotia Light and Power Co., \$16,223.79; Quebec Power Co., \$25,647.17; Shawinigan Water and Power Co., \$5,967.80; Southern Canada Power Co. Ltd., \$5,225.69; Toronto Hydro-Electric System, \$42,865.71; West Kootenay Power Co., \$7,058.64; Winnipeg Electric Co., \$11,442.77.

In addition to the charges to this allotment \$7,051.90 was paid for light and power from the War Allotments.

D Water, with a few exceptions, is supplied by the local municipalities. Total expenditures were \$86,078.08 including \$2,688.37 charged to War Allotments. Accounts over \$5,000 were: City of Montreal, \$24,329.78; City of Quebec, \$10,486.16.

E Payments for furniture and fittings for public buildings outside of Ottawa were \$280,899.35 including \$204,447.02 charged to War Allotments.

The following firms received over \$5,000: Bond Engineering Works Ltd., \$5,810.96; Office Specialty Manufacturing Co., \$23,689.42; Steel Equipment Co., \$13,592.25.

F Heating cost \$488,961.34; caretakers' supplies, \$67,211.71; uniforms, \$3,498.64; repairs to Canada House, \$739.15; and repairs to Yukon buildings, \$2,551.44. Included in these totals was \$175.24 charged to War Allotments.

Accounts of the following firms for coal, steam heat, etc., amounted to over \$5,000: P. Berube, \$8,061.80; City of Winnipeg Hydro-Electric System, \$18,178.82; Conger Lehigh

Coal Company, Ltd., \$5,945.01; Geo. Couillard, \$7,262.09; Deithers Ltd., \$7,858.50; Eastern Coal Company Ltd., \$5,950.30; Elie Coal Ltd., \$16,508.33; Fort Rouge Coal Company Ltd., \$5,515.66; Hochelaga Petroleum Co., \$6,716.58; G. H. King, \$12,370.68; Mongeau & Robert, \$17,508.41; National Petroleum Limited, \$5,265.48; Toronto Terminals Railway Co., \$30,206.17.

C The following persons received over \$300 for travelling expenses: T. J. Arnall, \$539.83; C. F. Dawson, \$691.59; R. F. Duke, \$462.33; E. Parkinson, \$532.92; Chas. Sellens, \$534.86; J. B. Shaw, \$478.63; R. Simard and his assistants, \$1,694.48; J. H. Whitford, \$341.50; R. Winter and his assistants, \$1,601.40.

Photographic supplies and work cost \$27,833.28 but \$21,150.13 was refunded for these services. Instruments Ltd. were paid \$5,491.79 and Photographic Services \$6,677.35.

An advance of \$250 was made to John G. Ahern for legal fees, etc.

Gratuities to families of deceased employees amounted to \$1,460.96.

Vote 261 Telephone Service at Ottawa	97,000 00
Expenditures	96,876 69
Lapsed	\$ 123 31

Comments on Expenditures

The costs of the telephone service for the various Departments at Ottawa and of residence telephones for the Ministers and their private secretaries were paid from this vote.

Exchange service for offices is given through one large and three smaller private branch exchanges at a cost of \$200,450.32; direct telephone services cost \$5,766.52 and \$1,821.99 was paid for the cost of printing Government directories. Of this amount \$111,185.05 is charged to the allotment for War Contingencies. These expenditures include the service for Hull Animal Laboratories and Post Office, Connaught Rifle Range, R.C.M.P. Barracks and Hog's Back and Long Island Lockhouses.

The National Harbours Board, Farm Loan Board, International Joint Commission, Unemployment Insurance Commission and sundry other offices were serviced through this vote and have repaid the charges for the telephones used.

Vote 262 Telephone service other than at Ottawa	2,000 00
Vote 315 To supplement, on approval of Treasury Board except when less than \$200 is required, any of the appropriations of the Department of Public Works, \$100,000; transfer....	39 25
Expenditures	\$ 8,039 25

Comments on Expenditures

The expenditures covered 125 telephones with 53 extensions as follows: Architect's Branch, 15 office and 2 residence telephones; Engineering Branch, 41 office and 23 residence telephones; Telegraph Branch, 41 office and 1 residence telephones; Minister's Office, Montreal, 2 telephones.

Vote 263 Dominion Public Buildings, Improvements and Repairs, Maritime Provinces generally	50,000 00
Expenditures	45,632 35
Lapsed	\$ 4,367 65

Comments on Expenditures

In addition to the above amount \$9,466.42 from War Allotment was spent on these works. Minor repairs were made to 62 buildings in Nova Scotia, 13 in Prince Edward Island and 55 in New Brunswick. Repairs costing more than \$2,000 were as follows: Halifax New Post Office, \$5,676.86; Sydney Post Office, \$3,042.37; Charlottetown Post Office, \$2,218.93; Clair Customs and Immigration Building, \$2,036.36; Moncton Post Office, \$6,470.21; Saint John Custom House, \$2,481.63; Saint John New Post Office, \$2,957.70.

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Vote 264 Dominion Public Buildings, Improvements and Repairs,	
Quebec	100,000 00
Expenditures	94,037 64
Lapsed	\$ 5,962 36

Comments on Expenditures

In addition to the above amount \$24,497.01 from War Allotment was spent on these works. Minor repairs were made to 197 buildings of which the following were over \$2,000: Granby Post Office, \$2,677.90; Montreal New Customs Examining Warehouse, \$5,956.27; Montreal Old Examining Warehouse, \$8,033.45; Montreal Place D'Armes Post Office, \$1,369.33; Montreal Postal Station "H", \$6,125.10; Montreal Terminal Building, \$6,056.36; Quebec Citadel, \$3,893.13; Quebec Immigration Building, \$3,683.32; Quebec Postal Terminal Building, \$5,746.24; Quebec Uptown Post Office, \$4,272.99; St. Lambert Post Office, \$2,540.09; Trois Rivières Post Office, \$3,321.40.

The Otis-Fensom Elevator Co. was paid \$7,106.73.

Vote 265 Dominion Public Buildings, Improvements and Repairs,	
Ontario	100,000 00
Expenditures	96,511 19
Lapsed	\$ 3,488 81

Comments on Expenditures

In addition to the above amount \$25,694.64 from War Allotment was spent on these works. Minor repairs were made to 260 buildings. Those where expenditure was over \$2,000 are as follows: Brockville Wartime Prices and Trade Board, \$3,637.69; London New Post Office, \$4,156.20; Toronto Custom House, \$12,117.10; Toronto Commerce and Transportation Building, \$4,235.42; Toronto Metropolitan Building, \$4,373.24; Toronto Post Office, \$5,529.58; Toronto Postal Station "A", \$11,554.86; Toronto R.C.A.F., York-Pier Building, \$3,344.50; Windsor Post Office, \$6,846.44.

The Otis-Fensom Elevator Co. was paid \$16,216.99.

Vote 266 Dominion Public Buildings, Improvements and Repairs,	
Manitoba	35,000 00
Expenditures	27,335 08
Lapsed	\$ 7,664 92

Comments on Expenditures

In addition to the above amount \$5,853.87 from War Allotment was spent on these works. Minor repairs were made to 62 buildings of which the following were over \$2,000: Winnipeg General Post Office, \$2,575.18; Winnipeg Power Building, \$5,134.22; Winnipeg New Public Building, \$9,044.60.

C. S. Johnston Co. was paid \$5,516.52.

Vote 267 Dominion Public Buildings, Improvements and Repairs,	
Saskatchewan	35,000 00
Expenditures	33,339 66
Lapsed	\$ 1,660 34

Comments on Expenditures

In addition to the above amount \$1,322.53 from War Allotment was spent on these works. Minor repairs were made to 55 buildings of which the following were over \$2,000: Lloydminster R.C.M.P., \$2,179.58; Regina Federal Building, \$2,389.37; Regina Post Office, \$2,252.44; Saskatoon New Post Office, \$4,251.86; Saskatoon Old Post Office, \$2,781.45.

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Vote 268 Dominion Public Buildings, Improvements and Repairs,	
Alberta	
Expenditures	35,000 00
	17,641 17
Lapsed	\$ 17,358 83

Comments on Expenditures

In addition to the above amount \$1,028.88 from War Allotment was spent on these works. Minor repairs and improvements were made to 46 buildings of which the following cost over \$2,000: Calgary Post Office, \$3,778.71; Edmonton Post Office, \$2,157.25; Grande Prairie Post Office, \$3,175.75.

Vote 269 Dominion Public Buildings, Improvements and Repairs,	
British Columbia	
Expenditures	50,000 00
	48,206 13
Lapsed	\$ 1,793 87

Comments on Expenditures

In addition to the above amount \$9,871.78 from War Allotment was spent on these works. Minor repairs and improvements were made to 85 buildings of which the following were over \$2,000: Vancouver Examining Warehouse, \$3,194.35; Vancouver Post Office, \$9,290.02; Vancouver Winch Building, \$10,997.35; Victoria, Astrophysical Observatory, \$4,372.03; Victoria New Post Office, \$2,955.93.

H. O. Layfield Co. was paid \$9,118.74.

Vote 270 Dominion Immigration Buildings, Repairs, Improvements, etc.	
Expenditures	35,000 00
	28,869 41
Lapsed	\$ 6,130 59

Comments on Expenditures

National Harbour Board, Halifax, was paid \$25,000 for maintenance, repairs, renewals, water, electricity and steam for quarters occupied at the Halifax Ocean Terminal.

Expenditures amounting to \$3,869.41 were made at 7 other buildings across Canada.

Expenditures for Immigration Buildings were also charged to Vote 260 as follows: furniture, \$510.61; heat, \$8,168.59; light and power, \$2,756.65; rent, \$40.18; water, \$1,065.75.

Vote 271 Dominion Quarantine Stations, Maintenance and Repairs...	
Expenditures	17,000 00
	15,874 30
Lapsed	\$ 1,125 70

Comments on Expenditures

Expenditures were incurred at 7 stations.

Other expenditures for Quarantine Stations were charged to Vote 260 as follows:—Furniture, \$14.35; heat, \$16,295.94; light and power, \$3,988.26; water, \$335.26.

Vote 272 Experimental Farms and Science Laboratories, Replacements,	
Repairs and Improvements to Buildings	100,000 00
Expenditures	99,784 05
Lapsed	\$ 215 95

AUDITOR GENERAL'S REPORT

Comments on Expenditures

Disbursements are for repairs and improvements to existing farm buildings. For Central Farm, Ottawa, the expenditure amounted to \$43,666.30, of which \$29,407.21 was paid for labour and \$14,259.09 for materials, etc. For the branch farms, laboratories, etc., the expenditure was \$56,117.75, of which \$17,904.51 was paid for labour and \$38,313.24 for materials, etc.

Other expenses for experimental farms are charged to Vote 259, heat, \$18,272.42; light and power, \$19,520.75; water, \$3,060.51 and to Vote 260, furniture, \$1,111.82; heat, \$38,871.68; light and power, \$28,697.20; water, \$101.64.

Vote 273	Flags for Dominion Public Buildings	2,500 00
Vote 504	Further amount required	5,500 00
		<hr/>
	Expenditures	8,000 00
		<hr/>
	Lapsed	\$ 1,632 87
		<hr/>
Vote 274	Public Buildings Generally—Repairs, Alterations, Fittings and Improvements	200,000 00
	Expenditures	181,027 49
		<hr/>
	Lapsed	\$ 18,972 51
		<hr/>

Comments on Expenditures

Repairs were carried out on 6 buildings in Nova Scotia, 3 in Prince Edward Island, 6 in New Brunswick, 22 in Quebec, 36 in Ontario, 1 in Manitoba, 6 in Saskatchewan and 4 in British Columbia.

Public Buildings on each of which over \$2,000 was spent were: Halifax Old Post Office, \$2,613; Springhill, \$2,500; Moncton, \$2,466.60; Saint John Customs, \$3,484; Montreal, New Examining Warehouse, \$3,287; Montreal, York Realty Building, \$2,018.90; Quebec, Marine Building, \$2,785; Shawinigan Falls, \$2,425; Sorel, \$7,517.49; Trois Rivières, \$2,720; Kingston Customs, \$2,335; Ottawa, Central Heating Plant, \$5,672.01; Dominion Bureau of Statistics, \$3,664.01; Elgin St. expropriation, \$9,420.10; National Research Council, \$12,010.32; New Supreme Court and grounds, \$4,708.77; Parliament Building, \$8,255.66; Rideau Hall, \$8,760.33; Victoria Museum, \$7,844.38; Wellington St. expropriation, \$8,328.79; Pembroke, \$7,021.15; Moose Jaw, \$4,062; Prince Albert, \$2,558.50; Regina Post Office, \$3,095.20; Saskatoon, \$2,650; Weyburn, \$2,580.88; and Vancouver Examining Warehouse, \$2,070.60.

Firms who received over \$5,000 were: Estate of W. Beatty, \$6,612.30; G. A. Crain & Sons, \$9,187; A. Gratton Enrg., \$10,055; R. Taylor & Son, \$8,590.50.

The more important expenditures were:

Montreal, York Realty Building: Legal and valuation fees, including attendance in court, \$2,018.90.

St. Jerome: Payment to P. Locas on account of work on brick walls, etc., \$500.

Sorel: Alterations for Unemployment Insurance Commission, A. Gratton Enrg., contract complete, \$6,995, extra work, \$150.

Trois Rivières: Payment of \$2,720 to R. Lapointe for painting basement and ground floor of the Public Building, in addition to \$4,085.55 paid him in 1940-41 for repairing and painting second and third stories.

Hespeler, Ont.: Commuted rates paid to Corporation for construction of sewer, \$204.45.

Ottawa, Dominion Bureau of Statistics: Re-arrangement of sewers, \$2,286.01; insulating heating mains, \$903; 5 fans installed, \$475.

Ottawa, Elgin St. expropriation: Legal services, Berger & Greenberg, \$594; J. P. Madden, \$311.05; J. A. Robertson, \$1,179.80; R. J. Sims, \$328.60; valuers, W. H. Bosley & Co., \$700, expenses, \$162.87; Farley & Cassels, \$3,500, less \$1,750 paid in 1940-41; W. E. Noffke, \$1,030; C. W. Ross, \$3,500, less \$1,750 paid in 1940-41; right of way, \$175; taxes on rented properties, \$611.88 (see Exchequer Court Awards).

Ottawa, Experimental Farm: Centrifugal pump, \$985 (other expenditures are charged to Votes 259 and 272).

Ottawa, National Research Council: G. A. Crain & Sons, contract complete for new fan rooms, \$9,187; screen guards for basement windows, \$2,408.

Ottawa, New Supreme Court and grounds: \$3,533.77 paid the Federal District Commission for levelling and sodding grounds and \$1,175 spent for shelving in basement (other expenditures for this building are charged to Vote 316).

Ottawa, Parliament Building: \$2,933 for repairing frames of Speakers' portraits, etc.; \$1,024 for repairing 9 chesterfields and 5 chairs; \$2,248 for copper piping and \$210 for pedestal for bust of Lord Grey.

Ottawa, Rideau Hall: R. Taylor & Son were paid \$8,590.50 on account of \$13,300 contract for repairs and additional story to cloak room (other expenditures for this building are charged to Vote 259).

Ottawa, Victoria Museum: \$3,723 for weatherstripping windows and \$2,199.53 for 3 electric transformers.

Ottawa, Wellington St. expropriation: Legal services, Aylen & Maclaren, \$428.65; Clark, Robertson, MacDonald & Connolly, \$158.30; R. M. Dick, \$250; Honeywell, McDougall & Wotherspoon, \$361.85; A. H. Lief, \$308.40; Low & McKenna, \$418.15; J. T. Richards, \$666.20; valuers, Farley & Cassels, \$4,300 and \$375 for court attendance, less \$3,000 already paid; A. J. Hazelgrove, \$200; J. B. Roper & H. J. Morin, \$100; C. W. Ross, \$4,300 and \$400 for court attendance, less \$3,000 already paid; S. W. Shier, \$250, expenses, \$108.50; taxes for rented properties, \$2,407.38 (see Exchequer Court Awards).

Pembroke: Progress payments of \$6,612.30 on \$9,349.54 contract for alterations and addition to building paid to Estate of W. Beatty.

Port Arthur Customs: \$1,006.11 paid on account of \$1,693 contract for repairs due to recent fire.

Toronto Postal Station "A": New lighting panels and circuits for sorting cases, \$1,042.18.

Regina, Post Office: Work done to date on \$4,775 contract for interior decorating, W. R. Talbot & Co., \$3,095.20.

Vancouver, Examining Warehouse: Mastic flooring, etc., \$2,070.60.

Vote 275 Veterans' Hospitals, Repairs, Improvements and Alterations . .	60,000 00
Expenditures	55,516 97
Lapsed	\$ 4,483 03

Comments on Expenditures

General repairs and improvements to hospitals were as follows:—Halifax, \$2,702.50; Saint John, \$6,372.90; Ste. Anne de Bellevue, \$20,334.65; London, \$13,454.70; Toronto, \$2,217.50; Manitoba, \$9,728.01; British Columbia, \$706.71.

At Ste. Anne de Bellevue, J. B. D'Aoust was paid \$9,241.

Other expenditures for Veterans' Hospitals were charged to Vote 260 as follows:—Furniture, \$179.35; heat, \$1,448.91; sundries, \$80.60; water, \$400.

CHIEF ENGINEER'S BRANCH

Vote 276 Branch Administration	189,570 00
Expenditures	176,591 87
Lapsed	\$ 12,978 13

	Estimates details	Allotments authorized	Expenditures
A Salaries	163,070 00	163,070 00	158,753 61
B Printing and Stationery	7,500 00	7,500 00	4,992 96
C Travelling Expenses	7,000 00	7,000 00	3,115 54
D Sundries	12,000 00	12,000 00	9,729 76
	<u>\$ 189,570 00</u>	<u>\$ 189,570 00</u>	<u>\$ 176,591 87</u>

Comments on Expenditures

- A As of March 31, 1942, there were 70 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date:—K. M. Cameron, Chief Engineer, \$9,000; H. Bance, \$3,720; R. Blais, \$4,500; E. J. Brousseau, \$2,700; W. W. Burrows, \$2,460; R. deB. Corriveau, \$5,700; H. M. Davy, \$3,720; L. V. Denis, \$3,720; H. J. Dunne, \$2,700; W. D. Girard, \$2,580; F. G. Goodspeed, \$5,100; M. Laframboise, \$2,400; A. K. Light, \$3,300; J. W. Lucas, \$2,580; G. E. Martin, \$4,980; W. C. Milne, \$2,700; A. T. Mineau, \$3,120; A. P. O'Meara, \$2,700; F. I. Pilgrim, \$2,400; J. H. Ridgway, \$3,120; R. C. Rous, \$2,880; F. G. Smith, \$4,200; G. H. Thurber, \$3,360; E. Viens, \$4,320.
- C Travel of officers who spent over \$300 was as follows: K. M. Cameron, \$758.39; B. Carwardine, \$476.25; F. G. Goodspeed, \$570.32.
- D Included photographic work, \$2,332.85; telegrams, \$2,034.73; telephone charges, \$1,911.89; expenses in connection with the cement testing laboratory, \$2,872.02.

Vote 277 Engineering, including salaries of Engineers, Clerks, etc. 490,390 00
Expenditures 434,672 67

Lapsed \$ 55,717 33

	Estimates details	Allotments authorized	Expenditures
A Salaries	356,990 00	356,990 00	337,362 13
B Surveys and Inspections	70,000 00	68,900 00	45,723 53
C Operation and Maintenance of Inspection Boats	11,400 00	12,500 00	12,092 24
D Printing and Stationery	12,000 00	12,000 00	6,716 81
E Sundries	40,000 00	40,000 00	32,777 96
	\$ 490,390 00	\$ 490,390 00	\$ 434,672 67

Comments on Expenditures

- A As of March 31, 1942, there were 145 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): J. A. Adam, \$2,700; L. M. Allison, \$2,700; A. Anderson, \$2,700; G. B. Anderson, \$2,940; E. H. V. Barwood, \$2,700; H. F. Bennett, \$4,620; J. L. Bisson, \$4,440; J. E. Bonaventure, \$4,080; J. W. Boughner, \$3,180; J. P. S. Bourgoing, \$2,700; G. P. Brophy, \$2,700; G. M. Brown, \$3,900; L. Brunet, \$3,300; G. H. Burbidge, \$3,300; U. L. J. Chopin, \$2,700; G. T. Clarke, \$2,700; W. F. Coutlee, \$2,580; O. S. Cox, \$4,620; A. R. Crookshank, \$2,700; A. R. Decary, \$5,100; P. E. Doncaster, \$4,620 (on loan to Department of Munitions and Supply from Mar. 1); L. B. Elliott, \$3,300; C. F. P. Faulkner, \$2,460; J. R. Freeman, \$3,300; J. E. Gagnon, \$3,300; E. V. Gilbert, \$2,460 (on loan to British Admiralty Technical Mission from Sept. 11); J. T. F. Girard, \$2,700; B. Grandmont, \$4,440; A. W. Gregory, \$3,060; A. Halkett, \$2,700; G. L. Hall, \$2,700; C. E. Hawke, \$2,580; R. P. Henderson, \$2,700; C. C. Jeffery, \$3,300; W. J. Johnston, \$3,300; W. E. Keyt, \$3,060; A. M. Kirkpatrick, \$4,440; R. A. Laferriere, \$2,700; H. J. Lamb, \$5,100 (Dec. 6); J. B. Lambert, \$2,700; M. Lamoureux, \$2,460 (June 2); J. A. Laniel, \$3,300; H. R. Logie, \$2,700; A. MacGillivray, \$2,700; C. H. Mathewson, \$2,580; C. D. McAllister, \$2,820; D. H. McDonald, \$3,300; L. G. McLaren, \$2,460; J. F. Mellish, \$2,700; H. E. Miller, \$3,600; F. O. Mills, \$2,700; G. P. Morse, \$3,300; K. W. Morton, \$4,080; P. D. Mosher, \$2,700; R. H. Nicholson, \$2,700; J. K. Partridge, \$3,300; A. Piche, \$2,700; W. D. Prior, \$2,700; L. D. B. Roy, \$2,700; A. A. St. Laurent, \$3,300; G. E. Smith, \$2,700; P. H. Smith, \$2,700; A. G. Tapley, \$3,300; L. G. Trudeau, \$4,620; J. P. Valiquet, \$3,300; J. A. Vermette, \$3,300 (Oct. 10); J. M. Wilson, \$4,620.
- B Includes travel of engineers, \$39,816.18, and surveys, etc., of various harbour works, \$5,907.35. Engineers whose travelling expenses amounted to \$300 or over were: J. A. Adam, \$683.45; L. M. Allison, \$653.09; A. Anderson, \$394.55; G. B. Anderson, \$1,106.32; J. H. Beauchemin, \$1,077.65; H. F. Bennett, \$1,219.04; W. H. Betts, \$1,066.93; J. L. Bisson, \$821.91; J. E. Bonaventure, \$417.87; J. W. Boughner, \$640.45; G. M. Brown, \$1,001.28;

DEPARTMENT OF PUBLIC WORKS

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L. S. Brunet, \$485; G. T. Clarke, \$856.22; O. S. Cox, \$318.85; A. R. Decary, \$871.35; E. J. Egan, \$359.93; L. B. Elliott, \$467.15; J. R. Freeman, \$737.76; J. E. Gagnon, \$463.65; B. Grandmont, \$886.52; L. Hall, \$625.09; C. E. Hawke, \$336.15; R. P. Henderson, \$413.67; A. F. Hertel, \$383.58; C. C. Jeffery, \$552.59; J. R. Joncas, \$586.28; W. E. Keyt, \$376.17; G. Lamoureux, \$873.57; J. A. Laniel, \$614.32; N. Latraverse, \$328.32; H. P. Lingley, \$935.28; C. D. McAllister, \$370.50; L. McLaren, \$500.81; P. Marion, \$325.99; C. H. Mathewson, \$705.28; J. F. Mellish, \$470.91; H. E. Miller, \$681.79; G. P. Morse, \$348.70; K. W. Morton, \$1,497.55; P. D. Mosher, \$642.08; F. A. Patriqueen, \$920.29; A. Piche, \$674.56; W. D. Prior, \$768.38; J. B. Saint, \$308.35; A. A. St. Laurent, \$352.72; G. E. Smith, \$593.40; R. D. Thexton, \$1,058.69; G. H. Thurber, \$550.77; L. G. Trudeau, \$600.36; J. P. Valiquette, \$620.46; J. M. Vogin, \$590.23; J. M. Wilson, \$1,061.35; A. R. Wood, \$530.40.

C Expenditures were as follows: Launch *D.P.W.*, wages, \$1,207.31, operation, \$956.07; *Marion*, wages, \$1,207.50, operation and repairs, \$1,792.02; *Wabrona*, wages, \$4,664.03, operation, \$2,265.31.

D. E. Male, launchman on *Marion* and caretaker of plant, occupied living quarters valued at \$12 a month.

E Includes office expenses, communications, upkeep of cars, etc. Test borings cost \$18,510.45 of which \$733.81 was refunded for work done for other departments and private companies. Officers whose travelling expenses amounted to over \$300 were: H. M. Davy, \$1,180.81; F. J. Fitzgerald, \$1,086.83; M. E. Labelle, \$807.04; J. E. Leblanc, \$1,144.53; J. A. Villandre, \$701.03.

Audit Note

Over-payments to two employees amounting to \$187.75 have not been recovered.

Vote 278 Dredging, General Superintendence	9,275 00
Expenditures	7,975 26
Lapsed	\$ 1,299 74

	Estimates details	Allotments authorized	Expenditures
A Salaries	7,275 00	7,425 00	7,420 55
B Printing, Stationery, Travelling Expenses and Sundries	2,000 00	1,850 00	554 70
	<u>\$ 9,275 00</u>	<u>\$ 9,275 00</u>	<u>\$ 7,975 26</u>

Comments on Expenditures

A As of March 31, 1942, there were three employees. B. Carwardine was paid at the rate of \$3,900.

B The expenditures were as follows: postage, \$3.40; telephone tolls, \$442.75; travelling expenses, \$108.55.

Vote 279 Dredging, Maritime Provinces	349,700 00
Expenditures	235,838 72
Lapsed	\$ 113,861 28

	Estimates details	Allotments authorized	Expenditures
A Salaries	111,885 00	101,885 00	76,068 45
B Maintenance and Operation	198,505 00	183,505 00	120,825 39
C Contract and day labour works, inspection and contingencies, and to supplement above allotments	39,310 00	64,310 00	38,944 88
	<u>\$ 349,700 00</u>	<u>\$ 349,700 00</u>	<u>\$ 235,838 72</u>

AUDITOR GENERAL'S REPORT

Comments on Expenditures

A As of March 31, 1942, there were 6 employees. The following were paid at the rate of \$2,400 or over at that date: E. H. Anderson, \$2,520; H. D. Gillis, \$3,000; D. H. MacQuarrie, \$3,600; J. T. Nickerson, \$2,520.

The wages paid to the captains and crews of the departmental dredging fleet of thirteen dredges and three tugs amounted to \$61,094.69.

B Operation and maintenance costs included board of crews, \$8,381.73, coal, \$14,190.24, towage, \$11,231, repairs and replacements, \$65,826.85. The following firms were paid over \$5,000: Branch & Co., \$5,292.53; Northern Machine Works, \$7,177.49; Pictou Foundry and Machine Co., \$6,147.33; Port Hawkesbury Marine Railway, \$12,348.75; Bruce Stewart Co., \$8,372.79; Sydney Foundry and Machine Works, \$5,633.85; H. P. Weeks, \$8,195.

Officials who received travelling expenses of over \$300 were: H. D. Gillis, \$1,214.30; H. D. MacQuarrie, \$959.39; J. T. Nickerson, \$868.14.

C Work was done by day labour at 16 places at a cost of \$9,550.15.

At Lloyd's Cove, N.S., the Beacon Dredging Co. received \$12,514.60 for dredging break-water, inspection was \$121 and other costs \$59.77.

At Campbellton, N.B., F. Michaud received \$9,663.03 for dredging deep water wharf and \$982.87 for dredging ferry slip, inspection was \$805.27 and other costs \$108.08.

A gratuity of \$249.05 was paid the widow of a deceased employee.

Vote 280 Dredging, Ontario and Quebec 259,300 00

Vote 315 To supplement on approval of Treasury Board except where less than \$200 is required, any of the appropriations of the Department of Public Works, \$100,000; transfer 8,321 85

Expenditures \$ 267,621 85

	Estimates details	Allotments authorized	Expenditures
A Salaries	66,234 00	60,076 06	60,076 06
B Maintenance and Operation	70,730 00	72,250 20	72,250 20
C Contract and day labour work, inspection and contingencies, and to supplement above allotments	122,336 00	135,295 59	135,295 59
	<u>\$ 259,300 00</u>	<u>\$ 267,621 85</u>	<u>\$ 267,621 85</u>

Comments on Expenditures

A As of March 31, 1942, there were 3 employees. J. H. Beauchemin was paid at the rate of \$2,700 and L. P. Larochelle, \$3,000.

Captain and crews on the seven dredges and two tugs of the fleet received \$53,435.50.

B Includes board of crews, \$8,353.25; coal, \$17,665.96; moorage, \$2,387; repairs, \$15,405.76; towage, \$5,374.25; travelling expenses of L. P. Larochelle, \$773.31. The following firms received over \$5,000: F. X. Dion, \$5,093.07; Morton Engineering & Dry Dock Co., \$6,054.39; Saillant & Fils, \$5,393.37. The Harricana River dredging plant was dismantled and shipped to Manitoba for storage.

C Chatham Dredging & General Contracting Co. Ltd., was paid \$2,264.76 on account, for dredging at Rondeau. C. S. Boone Dredging & Construction Co. received for dredging at Oshawa, \$18,484.98, at Port Hope, \$11,041.83, and at Whitby, \$5,517.14. McNamara Construction Co. received \$19,589.63 for dredging Cobourg harbour entrance and \$14,415.14 for dredging Toronto Eastern channel. J. P. Porter & Sons were paid \$14,161.89 for widening channel approach to wharf of the Steel Co. of Canada, at Hamilton.

Work was done by day labour at several places.

Vote 281 Dredging, Manitoba, Saskatchewan and Alberta 52,400 00

Vote 315 To supplement on approval of Treasury Board except where less than \$200 is required, any of the appropriations of the Department of Public Works, \$100,000; transfer 2,362 09

Expenditures \$ 54,762 09

	Estimates details	Allotments authorized	Expenditures
A Salaries	24,806 00	29,083 97	29,083 97
B Maintenance and Operation	23,183 00	25,678 12	25,678 12
C Contract and day labour works, inspection and contingencies, and to supple- ment above allotments	4,411 00		
	<u>\$ 52,400 00</u>	<u>\$ 54,762 09</u>	<u>\$ 54,762 09</u>

Comments on Expenditures

A As of March 31, 1942, there were 3 employees. J. F. Cunningham was paid at the rate of \$3,000. The captains and crews of three dredges and three tugs received \$21,977.92.

B Includes board and provisions, \$3,617.85; coal, \$7,641.15; expenses of Selkirk Shipyard, \$7,736.76.

Vote 282 Dredging, British Columbia 190,000 00

Vote 512 Dredging, British Columbia—Further amount required 5,000 00

**Expenditures 195,000 00
185,164 66**

Lapsed \$ 9,835 34

	Estimates details	Allotments authorized	Expenditures
A Salaries	61,560 00	65,280 00	65,094 75
B Maintenance and Operation	105,580 00	103,070 00	94,346 78
C Contract and day labour, inspection and con- tingencies, and to supplement above allotments	22,860 00	26,650 00	25,723 13
	<u>\$ 190,040 00</u>	<u>\$ 195,000 00</u>	<u>\$ 185,164 66</u>

Comments on Expenditures

A Wages of captains and crews of five dredges with attending tugs and launches amounted to \$63,739.47.

B Maintenance and operation charges include: Board, \$13,508.75; fuel, \$23,159.67; ordinary repairs, \$16,711.05. British Columbia Marine Engineers and Shipbuilders, Ltd., received \$12,901.37 for repairs to Dredge *Fruhling* and \$602.52 for other work. Burrard Dry Dock Co. received \$10,880.59 for repairs to Dredge *King Edward* and \$1,621.65 for sundry work on Dredge *Mastodon*. Other firms receiving over \$5,000 were: Home Oil Distributors, \$11,244.10; Union Oil Co. of Canada, \$9,700.66.

C Improvements to the Dease and Liard Rivers amounted to \$6,373.60, and to the Stikine River, \$6,015.39.

AUDITOR GENERAL'S REPORT

Vote 283	Maintenance and Operation of Champlain Graving Dock	61,380 00
	Expenditures	58,539 50

Lapsed \$ 2,840 50

	Estimates details	Allotments authorized	Expenditures
A Salaries	28,160 00	28,160 00	28,039 71
B Maintenance and Supplies	15,000 00	15,800 00	15,759 18
C Electric Power, Repairs and Sundries	18,220 00	17,420 00	14,740 61
	\$ 61,380 00	\$ 61,380 00	\$ 58,539 50

Comments on Expenditures

A As of March 31, 1942, there were 18 employees paid from this vote. Of these half the salaries of 7 employees were charged to Vote 285. The following was receiving an annual salary of \$2,400 or over at date of separation (shown in brackets): E. Vezina, \$2,880, and house valued at \$360 (Jan. 2).

B Paquet & Fils received \$14,459.86 for coal.

Vote 284	Maintenance and operation of Esquimalt Graving Dock	70,630 00
	Expenditures	69,596 13

Lapsed \$ 1,033 87

	Estimates details	Allotments authorized	Expenditures
A Salaries	33,606 00	33,456 00	32,425 02
B Electric Power	27,500 00	27,500 00	27,500 00
C Materials and Supplies, Repairs and Sundries	9,524 00	9,674 00	9,671 11
	\$ 70,630 00	\$ 70,630 00	\$ 69,596 13

Comments on Expenditures

A As of March 31, 1942, there were 20 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or date of separation (shown in brackets): A. Craig, \$2,460; O. R. Parker, \$2,520 (July 27). Each was supplied with a house, light and heat valued at \$627.84 a year.

Vote 285	Maintenance and Operation of Lorne Graving Dock	31,740 00
	Expenditures	30,773 84

Lapsed \$ 966 16

	Estimates details	Allotments authorized	Expenditures
A Salaries	23,300 00	23,300 00	22,750 28
B Materials and Supplies	5,440 00	5,440 00	5,061 91
C Electric Power, Repairs and Sundries	3,000 00	3,000 00	2,961 65
	\$ 31,740 00	\$ 31,740 00	\$ 30,773 84

Comments on Expenditures

A As of March 31, 1942, there were 15 employees paid from this vote. Of these, half the salaries of 7 employees were charged to Vote 283.

B Coal to the value of \$2,901.46 was supplied by Paquet & Fils.

DEPARTMENT OF PUBLIC WORKS

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Vote 286	Maintenance and Operation of Selkirk Repair Slip	3,800 00
	Expenditures	3,703 73
	Lapsed	\$ 96 27

	Estimates details	Allotments authorized	Expenditures
A Salaries	700 00	700 00	639 46
B Materials and Supplies, Electric Power and Sundries	1,150 00	1,150 00	1,122 29
C Maintenance and Repairs	1,950 00	1,950 00	1,941 98
	\$ 3,800 00	\$ 3,800 00	\$ 3,703 73

Vote 287	Maintenance and Operation of Locks and Dams	49,174 00
	Expenditures	46,504 89
	Lapsed	\$ 2,669 11

	Estimates details	Allotments authorized	Expenditures
A Salaries	30,662 00	32,104 00	31,286 86
B Materials and Supplies, Electric Power and Sundries	5,727 00	5,727 00	5,195 67
C Maintenance and Repairs	12,785 00	11,343 00	10,022 36
	\$ 49,174 00	\$ 49,174 00	\$ 46,504 89

Comments on Expenditures

A As of March 31, 1942, there were 19 employees paid from this vote. N. Ross was paid at the rate of \$2,280 and occupied a house valued at \$300 a year.

Casual assistance cost \$3,723.94.

B C	Materials and supplies	Maintenance and repairs
Cowan Dam, Sask.		312 65
French River Dams, Ont.	410 04	250 10
Fryer's Island Dam, Que.	416 65	367 86
Latchford Dam, Ont.	233 13	573 53
Okanagan Control Dam, B.C.		1 00
Quinze Dam, Ont.	729 99	852 74
Riviere du Lievre, Lock and Dam, Que.	160 14	410 52
St. Andrews Rapids, Lock and Dam, Man.	2,429 43	5,288 30
Temiskaming Dam, Ont.	816 29	1,965 66
	\$ 5,195 67	\$ 10,022 36

Audit Note

Salary was paid to one employee whose employment was not authorized in accordance with the regulations.

Vote 288	Maintenance and Operation of Snagboats	41,600 00
	Expenditures	38,471 62
	Lapsed	\$ 3,128 38

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A <i>Samson</i> : Wages of Crew	14,640 00	15,490 00	15,473 54
B Maintenance and Operation	11,960 00	11,960 00	10,799 11
A <i>Essington</i> : Wages of Crew	8,215 00	7,365 00	6,919 08
B Maintenance and Operation...	6,785 00	6,785 00	5,279 89
	<u>\$ 41,600 00</u>	<u>\$ 41,600 00</u>	<u>\$ 38,471 62</u>

Comments on Expenditures

- A Captain of the *Samson* was paid \$2,160 and the engineer, \$2,150. The expenses of the *Essington* from April to September only were charged to this vote.
- B *Samson*:—Board of crew, \$3,650.85; coal, \$254.63; fuel oil, \$2,247.01; repairs, sundries, etc., \$4,646.62.
- Essington*:—Board of crew, \$2,111.05; fuel oil, \$1,225.16; sundries, etc., \$1,943.68.

Vote 289	Maintenance and Operation of Burlington Channel Bridge..	14,700 00
	Expenditures	12,847 20
	Lapsed	\$ 1,852 80

	Estimates details	Allotments authorized	Expenditures
A Salaries	10,655 00	11,605 00	10,145 03
B Operation, Maintenance and Supplies	4,045 00	3,095 00	2,702 17
	<u>\$ 14,700 00</u>	<u>\$ 14,700 00</u>	<u>\$ 12,847 20</u>

Comments on Expenditures

- A There were 4 employees paid from this vote.
- B Electric power cost \$2,242.14.

Vote 290	Maintenance and Operation of LaSalle Causeway, Kingston..	15,429 00
	Expenditures	14,827 94
	Lapsed	\$ 601 06

	Estimates details	Allotments authorized	Expenditures
A Salaries	6,009 00	6,334 00	6,236 07
B Operation, Maintenance and Supplies	9,420 00	9,095 00	8,591 87
	<u>\$ 15,429 00</u>	<u>\$ 15,429 00</u>	<u>\$ 14,827 94</u>

Comments on Expenditures

- A There were 4 employees paid from this vote. Casual labour amounted to \$363.45.
- B This includes electric power, \$1,619.50, and repairs, etc., \$6,972.37 of which \$1,991.75 is to be repaid by Smith Transport Co. for damages caused by one of their trucks.

Vote 291	Maintenance and Operation of the New Westminster Bridge	48,174 00
	Expenditures	nil
	Lapsed	\$ 48,174 00

Cost of maintenance and operation of the bridge for 1941-42 was \$45,017.49, of which \$18,586.27 was paid in salaries and \$26,431.22 for maintenance and repairs.

Revenues collected for use of bridge totalled \$85,860.99, as follows: British Columbia Electric Railway, \$13,898.65; Canadian National Railways, \$45,800.48; Great Northern Railway, \$26,161.86.

Revenues and expenditures have been transferred to the Trust Account, "Fraser River Bridge at New Westminster".

Vote 292 Maintenance and Operation of Ottawa Bridges and Approaches 7,900 00

Vote 315 To supplement on approval of Treasury Board except where less than \$200 is required, any of the appropriations of the Department of Public Works, \$100,000, transfer 58 45

Expenditures\$ 7,958 45

Labour and material for painting and repairs amounted to \$7,958.45.

Vote 293 Maintenance and Operation of Roads and Bridges, Generally 19,500 00
Expenditures 16,043 54

Lapsed\$ 3,456 46

	Estimates details	Allotments authorized	Expenditures
A Wages	720 00	780 00	772 80
B Maintenance and Repairs	18,780 00	18,720 00	15,270 74
	\$ 19,500 00	\$ 19,500 00	\$ 16,043 54

Comments on Expenditures

Expenditures were: Bryson, Que., \$3,034.69; Chapeau, Que., \$2,777.25; Clair, N.B., \$1,022.93; North Temiskaming, Ont., \$3,394.87; Perley Bridge, Hawkesbury, Ont., \$3,845.46; seven lesser works, \$1,968.34.

Dry Dock Subsidies, c. 191, R.S.\$ 541,970 88

A Burrard Dry Dock, North Vancouver	112,500 00
B Montreal Floating Dock	105,000 00
C Prince Rupert Floating Dock	76,970 88
D Saint John Dry Dock	247,500 00
	\$ 541,970 88

Comments on Expenditures

A Subsidy, authorized by c. 27, 1917, is $4\frac{1}{2}$ per cent of a cost of \$2,500,000, for a period of 35 years. Payments made semi-annually will not be completed until 1960. \$2,381.86 of the subsidy is deposited each year to the credit of the Receiver General in an Open Account, to provide for the renewal of pontoons.

B Twenty-eighth annual subsidy payment, authorized by c. 17, 1910, is $3\frac{1}{2}$ per cent of \$3,000,000 cost, for a period of 35 years.

C Twenty-third annual subsidy payment, authorized by c. 17, 1910, is $3\frac{1}{2}$ per cent of \$2,199,168.02 cost, for a period of 25 years.

D Subsidy authorized by c. 27, 1917, is $4\frac{1}{2}$ per cent on a cost of \$5,500,000 for a period of 35 years. Payments, made semi-annually, will not be completed until 1959.

The Act of 1910 and the amending Act of 1917 are consolidated in the Dry Docks Subsidies Act, c. 191, R.S.

Payments of subsidies are based on a certificate of the Chief Engineer of the Department that the dock has been kept in a constant state of efficiency, that no discrimination has been used against any vessel wishing to use the dock and that the rates charged have not exceeded the rates agreed upon between the Department and the dry dock management.

Vote 294	Construction, Repairs and Improvements, Harbours and Rivers, Nova Scotia, Generally, Maintenance of Services, no new works to be undertaken	225,000 00
	Expenditures	175,238 90
	Lapsed	\$ 49,761 10

Comments on Expenditures

Repairs and improvements were made at 148 places, including repairs to wharf and pier at Bay St. Lawrence, \$8,425.40; breakwater at Charlos Cove, \$5,655.93; wharf and pier at Digby, \$6,633.06; wharf and shed at Hantsport, \$6,543.75; wharf at Lunenburg, \$5,023.34; wharf at Parrsboro, \$6,242.48; wharves at Pictou, \$10,316.43. At Dingwall, Pictou, Port Philip and Skinners Cove, materials valued at \$2,535.12 were used from stock at Truro and closed out contracts at Bay St. Lawrence and Charlottetown.

Vote 505	Construction, Repairs and Improvements, Harbours and Rivers, Nova Scotia: Dingwall—Improvements	83,300 00
	Expenditures	6,905 57
	Lapsed	\$ 76,394 43

Comments on Expenditures

Work was done by department: labour amounted to \$4,501.90 and materials \$2,403.67.

Vote 295	Construction, Repairs and Improvements, Harbours and Rivers, Prince Edward Island, Generally, Maintenance of Services, no new works to be undertaken	55,000 00
Vote 507	Further amount required	45,000 00
		100,000 00
	Expenditures	29,382 91
	Lapsed	\$ 70,617 09

Comments on Expenditures

Repairs and improvements were made at 29 places. At Charlottetown \$5,588.77 was spent.

Materials valued at \$1,934.50 from closed contract at Charlottetown were used on other works.

Vote 506	Construction, Repairs and Improvements, Harbours and Rivers, Prince Edward Island: Souris—Breakwater repairs	29,000 00
	Expenditures	74 54
	Lapsed	\$ 28,925 46

Vote 296	Construction, Repairs and Improvements, Harbours and Rivers, New Brunswick, Generally, Maintenance of Services, no new works to be undertaken	80,000 00
	Expenditures	70,220 39
	Lapsed	\$ 9,779 61

Comments on Expenditures

Repairs and improvements were made at 86 places, including repairs to wharf at Cocagne, \$10,952.55 and North Head, \$5,101.35. Repairs to breakwater structures and wharves at Richibucto cost \$5,134.08 and repairs to harbour works and wharf at Shippigan, \$6,802.66. Materials to the value of \$3,684.98 from closed contracts were used at fifteen of these works.

Simon Daigle and Denis Le Blanc completed a new approach to wharf at Cocagne for a contract price of \$6,805.34.

Vote 508	Construction, Repairs and Improvements, Harbours and Rivers, New Brunswick: Burnt Church wharf repairs	18,000 00
	Expenditures	13,867 34
	Lapsed	\$ 4,132 66

Comments on Expenditures

Diamond Construction Co. Ltd. completed contract for repairs of the wharf, \$13,530.35.

Vote 297	Construction, Repairs and Improvements, Harbours and Rivers. Quebec, Generally, Maintenance of Services, no new works to be undertaken	250,000 00
	Expenditures	190,845 31
	Lapsed	\$ 59,154 69

Comments on Expenditures

Repairs and improvements were made at 135 points. Places where expenditures exceeded \$5,000 were as follows: Baie Comeau, \$14,506.98; Desjardins, \$8,856.32; New Carlisle, \$12,482.09; Paspebiac, \$23,010.23; Rimouski, \$9,365.95; Riviere au Renaud, \$5,261.84; Riviere du Loup, \$13,725.45; St. Jean, I.O., \$7,686.82; Sorel, \$5,643.29; Tadoussac, \$5,193.18.

At Baie Comeau, North Shore Construction Co. Ltd. completed a contract of \$13,200 for placing stone. The Quebec North Shore Power Company contributed \$4,548.54 as their share of this work.

Materials to the value of \$4,813.42 from closed out contracts were used at twenty-four of these works.

Lucien Lachapelle was paid \$8,095.49.

Vote 509	Construction, Repairs and Improvements, Harbours and Rivers, Quebec—Richelieu River (Chambly Basin)—Dredging	17,900 00
	Expenditures	3,065 98
	Lapsed	\$ 14,834 02

Comments on Expenditures

Southern Working Limited was paid \$1,524.60 on a dredging contract of \$9,518.78.

AUDITOR GENERAL'S REPORT

Vote 293	Construction, Repairs and Improvements, Harbours and Rivers, Ontario, Generally, Maintenance of Services, no new works to be undertaken	130,000 00
	Grand River—Agreed contributions to improvements	118,000 00
	Port Colborne, Breakwater Repairs	26,750 00
Vote 510	Grand River—Agreed contributions to improvements—	50,000 00
	Further amount required	50,600 00
	Hamilton, Maintenance Dredging	375,350 00
	Expenditures	312,057 57
	Lapsed	\$ 63,292 43

	Allotments	Expenditures
A Grand River—Agreed contributions to improvements	168,000 00	158,276 55
B Hamilton, Maintenance dredging	50,600 00	49,730 22
C Port Colborne, Breakwater repairs	26,750 00	5,041 83
D Maintenance of services, no new works to be undertaken..	130,000 00	99,008 97
	\$ 375,350 00	\$ 312,057 57

Comments on Expenditures

- A** Contributions to the Grand River Conservation Commission represent 37.5 per cent of the cost of the conservation work. Total contributions to March 31, 1942, are \$644,993.23.
- B** Dredging was completed under contract by J. P. Porter & Sons, Ltd., at a cost of \$48,912.61.
- C** Labour cost \$2,571.87, materials, etc., \$2,469.96.
- D** Detroit River Construction, Limited, completed contracts for wharf at Leamington, \$3,511.49, and reconstruction of south pier breakwater at Toronto, \$9,460.51. Frid Construction Company, Limited, completed their contract for reconstruction of east pier at Oakville, \$13,985.11.
- Repairs and improvements were made at 78 places by day labour under departmental supervision the cost of which was \$23,387.67 and materials, etc., \$42,677.43.

Vote 299	Construction, Repairs and Improvements, Harbours and Rivers, Manitoba, Generally, Maintenance of services, no new works to be undertaken	20,000 00
	Expenditures	3,705 08
	Lapsed	\$ 16,294 92

Comments on Expenditures

Expenditures on nine repair works are summarized as follows: labour, \$1,943.12; materials, etc., \$1,761.96.

Vote 300	Construction, Repairs and Improvements, Harbours and Rivers, Saskatchewan, Alberta and Northwest Territories, Generally, Maintenance of Services, no new works to be undertaken..	10,000 00
	Expenditures	1,341 35
	Lapsed	\$ 8,658 65

Comments on Expenditures

Repairs were made at seven places. Materials cost \$943.60, labour, \$397.75.

Vote 301 Construction, Repairs and Improvements, Harbours and Rivers, British Columbia and Yukon Territory, Generally, Maintenance of Services, no new works to be undertaken 90,000 00

Vote 315—To supplement on approval of Treasury Board, except where less than \$200 is required, any of the appropriations of the Department of Public Works, transfer 375 00

Expenditures 90,875 00
83,428 92

Lapsed \$ 7,446 08

Comments on Expenditures

Repairs and improvements were made at 113 places including wharf renewal at Haney, \$6,614.78 and Squamish, \$11,638.54. Labour cost \$18,783; contract work, \$17,621.75; materials and supplies, etc., \$47,024.17.

William Greenlees completed contracts for wharf repairs at Haney, \$6,338.60, and renewal of wharf head at Squamish, \$11,283.15.

Vote 511 Construction, Repairs and Improvements, Harbours and Rivers, British Columbia and Yukon: Zeballos—Extension to wharf and shed 3,300 00
Expenditures 3,269 69

Lapsed \$ 30 31

Comments on Expenditures

Labour cost \$94.70; materials, etc., \$3,174.99.

Vote 513 Protection Works Generally 200,000 00
Expenditures 153,637 56
Lapsed \$ 46,362 44

Comments on Expenditures

The distribution of these expenditures by Provinces is as follows, the number of works in each province shown in brackets:

Nova Scotia (2)	5,252 80
New Brunswick (2)	988 62
Quebec (27)	135,201 77
Ontario (1)	2,330 56
British Columbia (4)	9,863 81

\$ 153,637 56

Expenditures over \$5,000 were at Port Hood, N.S., \$5,075.04; Bonaventure, Que., \$5,926.68; Contrecoeur, \$11,812.38; Les Eboulements, \$6,643.80; Matane, \$7,304.33; Portneuf, \$6,075.82; Ste. Felecite, \$6,564.22; St. Simeon, \$5,137.36; Sorel, \$43,115.22; Canoe Pass, B.C., \$8,000.

Materials to the value of \$1,348.48 from closed out contracts were used at six places in Quebec.

The Corporation of Delta, B.C., was paid \$8,000 as Federal Government share of shore protection work at Canoe Pass.

Vote 514	To provide for balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1941-42	30,000 00
	Expenditures	19,813 28
	Lapsed	\$ 10,186 72

Comments on Expenditures

Balances on completed contracts were paid at Lennoxville, Montreal Craig St. Armoury (\$250 still held) and Thurso. The following payments were made to architects: A. Belanger, balance Lennoxville, \$19.75; G. S. Adamson, balance Bradford, Ont., \$83.59; F. Page, claim for balance, Richmond Hill, \$300 (P.C. 604 of Jan. 26, 1942); G. N. Evans, plans for proposed alterations, New Westminster Public Building, \$886.83. Brennan & McDougall were paid \$33.05 for legal services *re* Cornwall right of way.

Expenditures at Rimouski, Que., covered costs of the appeal in Supreme Court of Paradis and Farley *versus* The King, consisting of legal fees, etc., \$7,543.03, printing, \$3,839.02, and travel, \$21.55. Other expenditures in Quebec were at Fryer's Island, \$834.73, St. Remi, \$520.96 and Sorel, \$841.05.

A contribution of \$1,889.72 authorized by P.C. 9659, Dec. 10, 1941, was made towards cost of drainage works on the South Maitland River and the Boyle Drainage System in Elma Township, Ont.

TELEGRAPH BRANCH

Vote 302	Branch Administration	27,120 00
	Expenditures	24,245 68
	Lapsed	\$ 2,874 32

	Estimates details	Allotments authorized	Expenditures
A Salaries	23,320 00	23,320 00	22,661 51
B Printing and Stationery	1,000 00	1,000 00	445 70
C Travelling Expenses	1,300 00	1,300 00	453 35
D Sundries	1,500 00	1,500 00	685 12
	\$ 27,120 00	\$ 27,120 00	\$ 24,245 68

Comments on Expenditures

A As of March 31, 1942, there were 10 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. E. Bray, \$3,120; A. McDonald, \$3,960; T. E. Orr, \$2,400; F. G. Sims, \$4,920.

C Travelling expenses of \$388.70 were paid to F. G. Sims, Superintendent of Telegraph Service.

Vote 303	Land and Cable Telegraph Lines, Lower St. Lawrence and Maritime Provinces, including working expenses of vessels for cable work	133,780 00
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Vote 315	To supplement, on approval of Treasury Board except where less than \$200 is required, any of the appropriations of the Department of Public Works, \$100,000; transfer....	3,620 19
	Expenditures	137,400 19
		\$ 137,400 19

	Estimates details	Allotments authorized	Expenditures
A Salaries and Commissions	75,978 00	74,983 49	74,983 49
B Repairs	25,000 00	28,051 17	28,051 17
C Materials and Supplies	12,500 00	11,461 68	11,461 68
D Subsidies	5,625 00	5,557 00	5,557 00
E Sundries	14,677 00	17,346 85	17,346 85
	<u>\$ 133,780 00</u>	<u>\$ 137,400 19</u>	<u>\$ 137,400 19</u>

Comments on Expenditures

A As of March 31, 1942, there were 191 employees paid from this vote.

The following were receiving an annual salary of \$2,400 or over on that date: G. A. Edwards, \$3,000; G. E. Routhier, \$3,000.

Living quarters valued at \$740 supplied the operators of three offices are not included in the expenditures.

Commissions to agents amounted to \$7,126.07.

D Subsidies were paid to companies to enable them to maintain telephone communication in districts where the Government does not provide service.

E Rents amounted to \$3,902.96. Travel of G. A. Edwards cost \$1,419.50. Maritime Telegraph and Telephone Co. were paid \$400 on account, the balance of attachments and rentals to be paid in 1942-43.

Vote 304	Telegraph and Telephone Services, Operation and Maintenance, Saskatchewan and Alberta	87,760 00
	Expenditures	86,389 87
	Lapsed	\$ 1,370 13

	Estimates details	Allotments authorized	Expenditures
A Salaries	73,856 00	74,856 00	74,650 71
B Repairs, Supplies and Sundries	13,904 00	12,904 00	11,739 16
	<u>\$ 87,760 00</u>	<u>\$ 87,760 00</u>	<u>\$ 86,389 87</u>

Comments on Expenditures

A As of March 31, 1942, there were 48 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: P. R. Elmer, \$2,400; J. D. Noel, \$3,600.

Agents on commission were paid \$1,200.49. Living quarters valued at \$4,140 were occupied by the operators of 14 offices and by two linemen and are not included in the expenditures.

B Rents were \$2,999.85.

Vote 305	Telegraph and Telephone Services, Operation and Maintenance, Division Superintendent's office, Vancouver	11,800 00
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Vote 67	Salaries, reclassifications and increases; supplement	1,424 75
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	Expenditures	13,224 75
		12,605 65

	Lapsed	\$ 619 10
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AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries	9,400 00	11,184 75	11,184 75
Salaries Reclassifications, etc.: Supplement	1,424 75		
B Sundries	2,400 00	2,040 00	1,420 90
	<u>\$ 13,224 75</u>	<u>\$ 13,224 75</u>	<u>\$ 12,605 65</u>

Comments on Expenditures

A As of March 31, 1942, there were 7 employees paid from this vote. R. G. Bishop was receiving salary of \$3,480 on that date.

Vote 306	Telegraph and Telephone Services, British Columbia, Northern and Yukon Districts	129,508 00
	Expenditures	117,969 00
	Lapsed	\$ 11,539 00

	Estimates details	Allotments authorized	Expenditures
A Salaries, Commissions and Allowances	102,808 00	101,308 00	91,353 66
B Repairs, Supplies and Sundries	26,700 00	28,200 00	26,615 34
	<u>\$ 129,508 00</u>	<u>\$ 129,508 00</u>	<u>\$ 117,969 00</u>

Comments on Expenditures

A As of March 31, 1942, there were 55 employees paid from this vote. G. W. McKay was paid \$1,800 salary and \$1,200 allowance.

Agents on commission received \$2,139.99. Living quarters for 12 employees valued at \$2,700 are not included in the expenditure.

B Rents, Apr.-Feb., amounted to \$3,156.13.

Vote 307	Telegraph and Telephone Services, British Columbia, Vancouver Island District	94,510 00
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Vote 315	To supplement on approval of the Treasury Board except where less than \$200 is required, any of the appropriations of the Department of Public Works, \$100,000; transfer ..	6,726 06
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	Expenditures	101,236 06
		101,221 06

	Lapsed	\$ 15 00
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	Estimates details	Allotments authorized	Expenditures
A Salaries	81,384 06	81,886 18	81,886 18
B Pole, Line and Wire Rentals	4,800 00	4,509 20	4,509 20
C Repairs, Supplies and Sundries	15,052 00	14,840 68	14,825 68
	<u>\$ 101,236 06</u>	<u>\$ 101,236 06</u>	<u>\$ 101,221 06</u>

Comments on Expenditures

A As of March 31, 1942, there were 58 employees paid from this vote.

Living quarters valued at \$1,020 were supplied to 5 employees and are not included in these expenditures.

C Rents, etc., cost \$4,588.32.

The Canadian National Telegraph and the Canadian Pacific Telegraph Co. paid \$1,230.78 for proportion of cost of maintaining the North Vancouver office.

Vote 308	Telegraph and Telephone Service, Operation and Maintenance, Generally	
	Expenditures	5,000 00
		4,145 86
	Lapsed	\$ 854 14

A subsidy of \$2,000 was paid La Cie du Telephone du Nord for the operation of the Temiskaming line (P.C. 966 of Mar. 14, 1940).

Vote 309	Telegraph Reconstruction, Repairs and Improvements Maritime Provinces and Lower St. Lawrence	12,000 00
	Expenditures	11,791 84
	Lapsed	\$ 208 16

Vote 310	Telegraph Reconstruction, Repairs and Improvements, Saskatchewan and Alberta	12,000 00
	Expenditures	6,905 81
	Lapsed	\$ 5,094 19

Vote 311	Telegraph Reconstruction, Repairs and Improvements, British Columbia Northern and Yukon Districts	17,000 00
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Vote 315	To supplement on approval of Treasury Board, except where less than \$200 is required, any of the appropriations of the Department of Public Works, \$100,000; transfer	422 73
	Expenditures	17,422 73
		\$ 17,422 73

Vote 312	Telegraph Reconstruction, Repairs and Improvements, British Columbia, Vancouver Island District	9,000 00
	Expenditures	8,894 97
	Lapsed	\$ 105 03

GENERAL

Vote 313	National Gallery of Canada	43,720 00
	Expenditures	43,618 80
	Lapsed	\$ 101 20

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries	30,705 00	27,661 90	27,661 90
B Art Exhibitions, Lectures and Educational Work	5,515 00	6,015 00	5,913 80
C Printing Reproductions, Catalogues, Station- ery and Sundries	7,500 00	10,043 10	10,043 19
	<u>\$ 43,720 00</u>	<u>\$ 43,720 00</u>	<u>\$ 43,618 80</u>

Comments on Expenditures

A As of March 31, 1942, there were 13 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: H. O. McCurry, director, \$6,000; G. J. Harbour, \$2,880.

The expenditures of the Gallery are governed by "An Act to incorporate the National Gallery of Canada", c. 33, 1913, and are controlled by a Board of three trustees who serve without remuneration and receive their reasonable travelling and other expenses. The moneys appropriated by Parliament for the work of the Board, or which the Board may receive by bequest, or in any other manner, are expended under the direction of the Board.

An open account, maintained on the Dominion Ledgers, originated from gifts from the Carnegie Corporation of New York. The fund was inactive during the present fiscal year, there being no contributions to, or expenditures from it.

Vote 314	Miscellaneous works not otherwise provided for, not more than	
	\$3,000 to be expended upon any one work	50,000 00
	Expenditures	26,376 88
	Lapsed	\$ 23,623 12

Comments on Expenditures

The distribution of these expenditures by Provinces is as follows, the number of works in each province shown in brackets:

Nova Scotia (4)	2,843 25
Prince Edward Island (3) ..	5,926 90
New Brunswick (1)	1,191 49
Quebec (3)	6,265 53
Ontario (4)	1,851 47
Saskatchewan (1)	1,940 29
British Columbia (4)	6,357 95
	<u>\$ 26,376 88</u>

Materials to the value of \$754.20 from closed out contracts were used at Grand Entree, McFarlane's Cove and Red Head.

Vote 315	To supplement on approval of Treasury Board except where less than \$200 is required, any of the appropriations of the Department of Public Works, \$100,000 less \$21,550.72 transferred	78,449 28
	Expenditures	nil
	Lapsed	\$ 78,449 28

Vote 68 Unforeseen Expenses, expenditure thereof to be subject to approval of Treasury Board (\$80,000) allotted to Department of Public Works	\$ 100 00
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Comments on Expenditures

Expenditure was \$100 for poppy wreath for Remembrance Day, 1941.

Exchequer Court Awards, Exchequer Court Act c.34, R.S.	\$732,588 26
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A Desjardins, Que., re accident to Mme Demers on wharf	1,149 49
B Montreal, York Realty Building	65,498 16
C Ottawa, Elgin St., expropriation	357,429 81
D Ottawa, Wellington St. expropriation	308,510 80
	\$ 732,588 26

Comments on Expenditures

- A** Award paid to A. Demers, \$745, interest March 24 to June 24, 1941, \$9.39, taxed costs, \$395.10.
- B** Canada Life Assurance Co.: interim compensation for building, paid to holder of mortgage, \$64,856.46; interest, April 1-June 13, 1941, \$591.70; taxed costs, \$50.
- C** Estate of J. Bishop, \$11,500, taxed costs, \$60; H. G. & C. Campbell, \$71,000, interest, Sept. 1, 1940-Aug. 29, 1941, \$3,520.82, taxed costs, \$602.50; M. Franklin, \$21,200, taxed costs, \$60; Laurentian Club, Inc., \$12,750, taxed costs, \$75; Laurentian Realty Co., Ltd., \$145,000, interest, Aug. 17, 1939 to Sept. 2, 1941, \$14,817.80, taxed costs, \$984.55, less \$6,264.55 deduction for rent and interest; Ottawa Amateur Athletic Association, \$76,000, interest, April 1, 1940 to Aug. 29, 1941, \$5,361.64, taxed costs, \$762.05.
- D** Award to R. L. & R. Blackburn, \$105,000, taxed costs, \$75; M. Brading, \$6,872, interest, Aug. 20, 1938 to May 20, 1941, \$944.19, taxed costs, \$60; R. W. Burman, \$2,600, interest, June 4, 1940 to June 18, 1941, \$134.99, taxed costs, \$75; Estate of C. H. Cochrane, \$12,500, taxed costs, \$60; H. Finklestein, \$8,500, taxed costs, \$75; E. P. Hall, \$3,400, taxed costs, \$75; Estate of J. Lackey, \$36,000, taxed costs, \$90; Estate of J. Landreville, \$23,469.55, taxed costs, \$75; Estate of D. Manchester, \$11,500, taxed costs, \$60; Murphy-Gamble Ltd., \$14,363, taxed costs, \$75; H. J. Murtagh, \$12,000, taxed costs, \$60, less \$3,000 retained for settlement of taxes; E. Rondeau, \$10,200, taxed costs, \$60; St. Andrew's Church, \$3,500, taxed costs, \$60; K. & C. Shapiro, \$20,600, taxed costs, \$648.80; G. Sims, et al, \$14,225, taxed costs, \$75; Travers Aprons, Ltd., \$3,628.33, interest, July 28, 1938 to Dec. 12, 1941, \$612.33, taxed costs, \$75; Union Realty Co., Ltd., \$19,500, interest July 1, 1940 to May 16, 1941, \$852.12, taxed costs, \$75, less \$664.51 for net rents collected.

Halifax Shipyards Ltd., Consolidated Revenue and Audit Act, c.27, 1931	\$ 30,717 24
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"Halifax Shipyards Ltd.—\$350,000" was included under Miscellaneous Current Accounts, Schedule "K" to the Balance Sheet of the Public Accounts 1940-41. This represented the balance due on the purchase of the Halifax Graving Dock and was composed of seven equal annual instalments of \$50,000, the first being due Jan 1, 1942.

Prepayment was made on Nov. 1, 1941, of the outstanding instalments, discount at the rate of three per cent per annum being allowed under Order in Council P.C. 5206, Oct. 22, 1941. Cash payment \$319,282.76; discount \$30,717.24.

SUPERANNUATION AND RETIREMENT BENEFITS

Gratuities to families of deceased employees, Civil Service Act c.22 R.S.	\$ 7,431 64
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AUDITOR GENERAL'S REPORT

SPECIAL

CHIEF ARCHITECT'S BRANCH

Vote 316 Construction, Repairs and Improvements of Public Buildings 256,000 00

Vote 515 Further amount required 370,000 00

626,000 00
Expenditures 571,715 49

Lapsed \$ 54,284 51

	Estimates details	Expenditures
A To close out contracts	590,000 00	545,819 35
B Toronto, Postal Station "A"	36,000 00	25,896 14
	<u>\$ 626,000 00</u>	<u>\$ 571,715 49</u>

Comments on Expenditures

A There were no specific allotments. The following works undertaken in previous years were completed during the year:—

Chester, N.S., Public Building	500 00
Lockeport Public Building	2,020 19
Tatamagouche Public Building	444 00
Armstrong, Que., Building for Customs and Immigration purposes	81 50
Quebec Postal Terminal	187,828 29
St. Henri de Lauzon Public Building	50 00
St. Ours Public Building	118 00
Sutton Public Building	286 00
Ottawa, Statue of the late Sir Arthur Doughty	268 86
Ottawa, Building for Supreme Court	353,475 31
Toronto, Christie St. Hospital	500 00
Lanigan, Sask., Public Building	197 20
Merritt, B.C., Public Building	50 00
	<u>\$ 545,819 35</u>

Chester—Amount withheld from contract in 1940-41.

Lockeport—By authority of P.C. 9832 of Dec. 16, 1941, a further claim of \$1,680.19 has been paid contractor H. A. Keddy for closing down of contract. In addition \$190 withheld in 1940-41 was paid to the contractor. Erecting fence, cleaning up site, etc., cost \$150.

Tatamagouche—The sum of \$420 withheld from M. A. Condon in 1940-41 was paid during the fiscal year and \$24 for cleaning up site.

Armstrong—Amount withheld from contract in 1940-41.

Quebec—Previous appropriations and allotments for this building amounted to \$1,493,711.59 and \$931,281.11 had been spent prior to April 1, 1941. Construction has been completed by Concrete Construction Ltd. at a contract price of \$951,369 plus \$55,221.54 for extra work and changes, of which \$867,619.87 had previously been paid. Conveyor machinery was installed by the Mathews Conveyor Co. at a contract price of \$27,997 and extras amounting to \$982.20. Fees totalling \$51,147.47 have been paid to architect R. Chenevert, of which \$46,393.23 had already been paid. By authority of P.C. 3292 of Jan. 4, 1939, the sum of \$18,937.82 has been paid to the City of Quebec as compensation for various changes *re* exchange of land. Of this amount \$5,000 was paid in 1938-39. Other expenses amounted to \$1,186.36.

St. Henri de Lauzon—Right of way for septic tank overflow.

St. Ours—Amount withheld from contract in 1940-41.

Sutton—By authority of P.C. 3653 of May 23, 1941, the sum of \$286 has been paid Fortin & Frere for additional expense due to closing down of contract, which was later completed.

Ottawa, statue of the late Sir Arthur Doughty—Amount detailed in 1940-41.

Ottawa, Supreme Court—Previous appropriations and allotments for this building amounted to \$3,062,301.59 and \$2,744,047.46 had been spent prior to April 1, 1941. The building has been completed by Anglin-Norcross, Ont. Ltd., at a contract price of \$2,550,000 plus \$320,244.34 for extra work and changes. Of this amount \$2,521,540 had previously been paid and \$8,000 is withheld for completion of certain items. In addition to contract Anglin-Norcross were paid \$3,859 for sundry alterations and additions. Payments to architect E. Cormier on account of original contract and extras were \$143,376.82 and \$943.24 for extra work and changes. Of this amount \$135,008.09 had already been paid and \$400 is withheld.

Toronto—Amount withheld in 1940-41 (page 310).

Lanigan, Sask.—By authority of P.C. 4629 of June 24, 1941, the sum of \$197.20 has been paid Carter-Halls-Aldinger Co., Ltd., for additional expense due to closing down of contract, which was later completed.

Merriitt, B.C.—Amount withheld in 1940-41.

B Toronto, Postal Station "A"—Mathews Conveyor Co. Ltd., were paid \$25,836.30 on account of \$39,845 contract for conveyor machinery.

CHIEF ENGINEER'S BRANCH

Vote 317 Construction, Repairs and Improvements—To close out	
contracts	357,000 00
Expenditures	248,864.58
Lapsed	\$ 108,135 42

Comments on Expenditures

Arisaig, N.S., breakwater extension:—R. M. Hall contract was closed out May 24, 1940, and reopened July 30, 1940. During 1941-42 the contractor was paid \$706.28 for material on site and \$967.36 is held. Inspection cost \$8.50.

Brooklyn, N.S., repairs and improvements to breakwater:—J. P. Porter and Sons Limited completed their contract for \$194,084.76 less \$124,151.63 paid in previous years. They were paid also \$3,604.49 authorized by P.C. 1757 of Mar. 9, 1942, to cover losses sustained owing to shut-down of work May 24, 1940 to July 11, 1940.

Charlottetown, P.E.I., repairs and improvements to railway wharf:—The contract of J. P. Porter and Sons Limited was closed out May 24, 1940, and \$18,978.80 was paid to cover claim due.

Lorne Dry Dock, Que.:—J. Bertrand completed the contract for new powerhouse, pumphouse equipment, machine shop, etc., for the sum of \$213,186 less \$210,986 paid in previous years.

Rivière Noire (St. Simeon), Que., wharf construction:—Alphonse Montminy's contract was closed out May 24, 1940, and reopened on June 25, 1940. During 1941-42 \$343.55 was authorized by P.C. 5171 of July 15, 1941, and paid to cover expenses incurred as a result of the stoppage of work.

Hamilton, Ont., terminal for Harbour Commission:—Russell Construction Company's contract was closed out May 24, 1940, and reopened by P.C. 3825, August 31, 1940. During 1941-42 \$11,660.84 was paid to cover expenses due to temporary shut-down of the work.

Picnic Island, Ont., dredging of the western entrance to Little Current Channel:—Canadian Dredge and Dock Company was paid \$8,678.60 authorized by P.C. 1122 of Feb. 13, 1942, to cover expenses due to shut-down of work.

Port Arthur, Ont., Canadian Dredge and Dock Company completed a contract for dredging at a cost of \$137,095.90 of which \$36,692.77 was paid in previous years. An additional sum of \$5,314.84 to cover expenses owing to work being closed down between May 25 and August 15, 1940, was authorized by P.C. 1122 of Feb. 13, 1942, and paid. They were paid also \$45,547.91 for the same reason on account of their contract for extension to rubble mound breakwater.

South Baymouth, Ont., dredging an approach to Channel:—Canadian Dredge and Dock Company were paid \$1,484.51 authorized by P.C. 1122 of Feb. 13, 1942, to cover expenses caused by shut-down of work.

<i>Vote 111 Department of Labour—To provide for Relief Projects</i>	<i>370,000 00</i>
<i>Expenditures</i>	<i>289,413 10</i>
<i>Lapsed</i>	<i>\$ 80,586 90</i>

Comments on Expenditure

Allotment was for construction of an intercepting sewer, etc., at Quebec City.

A contract was awarded to Clovis Beaudet on October 12th, 1939, for \$295,580.39. This contract was subsequently cancelled by Order in Council before any work had been done.

A new contract was awarded to Pacifique Marcotte on February 9th, 1940, for \$317,410.50. Marcotte abandoned contract after he had done \$51,053.77 of the work. He was paid \$1,390 in 1939-40 and \$23,200 in 1940-41. The department took over his security deposit, balance due on work done and plant and equipment amounting to \$84,038.65. An additional amount of \$26,463.77 was paid to sundry creditors for J. E. Laguerre assignee of P. Marcotte in 1940-41.

A third contract was awarded on December 12th, 1940, to J. A. Auclair for \$347,851.30. The contractor has completed work valued at \$279,901.65 and has been paid on account \$256,128.92. Departmental materials valued at \$17,467.32 have been used and deducted from gross estimate due contractor.

Fees and sundry expenses amounting to \$55,752.04 have been paid to the engineers, Arthur Surveyor and Co., of which \$24,440.27 was paid in previous years.

<i>Exchequer Court Awards, Exchequer Court Act, c. 34 R.S.</i>	<i>\$ 40,479 85</i>
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Comments on Expenditures

At Fryer's Island Dam awards were: Mr. Geo. Fryer, \$11,000 less \$1,200, \$1,225 and \$9,598.28 already paid, interest, Jan. 3, 1938 to April 8, 1941, \$1,484.23, Supreme and Exchequer Courts interest costs, \$51.09; J. M., J. T. and M. A. Fryer, three awards, \$5,305.90, \$2,288.60 and \$2,288.60, interest, Jan. 3, 1938 to May 30, 1941, \$797.35, \$343.91 and \$343.91, Supreme and Exchequer courts taxed costs and interest, \$1,213.08; L. P. Granger, \$8,800 less \$1,650 already paid, interest, Jan. 3, 1938 to April 30, 1941, \$1,236.99, Supreme and Exchequer Courts taxed costs and interest, \$1,645.76; R. Messier, \$6,583.32, interest, Jan. 3, 1938 to May 3, 1941, \$1,018.09, Supreme and Exchequer Courts taxed costs and interest, \$605.28; L. Perrault, \$7,211, interest, Jan. 3, 1938 to May 3, 1941, \$1,093.18, Supreme and Exchequer Courts taxed costs and interest, \$842.84.

ROYAL CANADIAN MOUNTED POLICE

REVENUES

	Summary	1941-42	1940-41
Ordinary Revenue—			
Officers Pension Fund		13,549 70	11,247 32
Casual Revenue		991,507 21	1,134,079 44
Fines and Forfeitures		41,727 99	23,083 04
		\$1,046,784 90	\$1,168,409 80

Compared with 1940-41 revenues for 1941-42 show a decrease of \$121,624.90. The increase in that year, however, was due largely to collection of arrears for policing services.

Details

A Officers Pension Fund—			
Abatements from Pay of Force	12,678 53		
Abatements from Pensions	871 17		
			13,549 70
Casual Revenue—			
B Contributions from R.C.M. Police Provincial Trust Fund....	13,664 50		
C Refund of previous year's expenditures:			
Other Federal Departments	9,586 99		
Sundry	10,599 47		
D Proceeds from sales	5,406 25		
E Repayments for police services:			
F Assiniboia, Saskatchewan, 12 m. to November 30, 1942.....	1,000 00		
G Flin Flon, Manitoba, 12 m. to September 30, 1942.....	3,000 00		
Extras	1,000 00		
H Herbert, Saskatchewan, 6 m. to July 14, 1942.....	400 00		
I Humboldt, Saskatchewan, 12 m. to April 30, 1942.....	1,500 00		
J Kindersley, Saskatchewan, 12 m. to November 30, 1942.....	800 00		
K Melfort, Saskatchewan, 6 m. to September 14, 1942.....	750 00		
L Melville, Saskatchewan, 12 m. to December 31, 1941.....	3,000 00		
Rental, 12 m. to December 31, 1941.....	300 00		
M Yorkton, Saskatchewan, 8 m. to April 30, 1942.....	3,000 00		
N Province of Alberta, 12 m. to March 31, 1942.....	250,000 00		
Extras, 12 m. to March 31, 1942.....	25,000 00		
O Province of Manitoba, 12 m. to March 31, 1942.....	150,000 00		
P Province of New Brunswick, 12 m. to March 31, 1942.....	100,000 00		
Q Province of Nova Scotia, 12 m. to November 30, 1941.....	115,000 00		
R Province of Prince Edward Island, 12 m. to May 31, 1942...	20,000 00		
S Province of Saskatchewan, 12 m. to March 31, 1942.....	275,000 00		
Outstanding from previous year	2,500 00		
			991,507 21
T Fines and Forfeitures—			
Foreign Exchange Control Board Regulations.....	40,761 66		
Criminal Code of Canada	165 00		
Defence of Canada Regulations.....	203 13		
Small Loans Act	500 00		
Seized Money	98 20		
			41,727 99
			\$1,046,784 90

Certified correct.

S. T. WOOD,
Commissioner, R.C.M.P.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act I have satisfied myself that the above revenues for 1941-42 have been accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

- A** Officers' Pension Fund. This revenue consists of deductions from the pay of commissioned officers of the force, and from the pensions of officers who have been retired, in accordance with Section 49, Chapter 160, R.S. 1927.
- B** Contributions from R.C.M. Police Provincial Trust Fund. Sections 8 and 12, Chapter 8, R.C.M. Police Act, 1934, recognize a constable's or officer's prior service with the Provincial Police Forces which have been taken over by the R.C.M. Police in accordance with Section 5, Chapter 160, R.S. 1927. Payment for this prior service is collected from the Provinces and from members of the Force and credited to a special trust account. The pensions of these men are a direct charge to the Consolidated Fund. The amount to the credit of each man when pensioned is transferred to Casual Revenue. The amount transferred in 1941-42 was \$13,664.50.
- C** Refund of Previous Years Expenditures. Included in the sundry total of \$10,599.47 are the following: return of empty oil containers, \$3,852.75; refund of Provincial gasoline tax, \$3,041.66; repayment by Provinces for various investigations, \$1,379.75; damage to police cars deducted from pay of members concerned, \$732.09.
- D** Proceeds from Sales. Included in the total of \$5,406.25 are the following: sale of 13 police cars, \$3,063; used tires and tubes, etc., \$1,485.25.
- E** Repayments for police services. The repayments are in accordance with the agreements between the Dominion of Canada and the Municipalities and Provinces and are approved by the Governor in Council. The various agreements are as follows:
- F** Assiniboia, Saskatchewan. Order in Council 286 of February 9, 1939, and an agreement dated December 11, 1941, provide for policing from December 1, 1941 to May 31, 1943, subject to 6 months' notice of cancellation; payment to be \$1,000 annually, with an increase from the agreed strength of 1 at the rate of \$1,000 per man.
- G** Flin Flon, Manitoba. Order in Council 286 of February 9, 1939, and an agreement dated August 15, 1940, approve policing from April 1, 1940, to March 31, 1945, subject to 6 months' notice of cancellation; payment to be \$3,000 annually, with an increase or decrease from the agreed strength of 3 at the rate of \$1,000 per man.
- H** Herbert, Saskatchewan. Order in Council 286 of February 9, 1939, and an agreement dated January 12, 1942, provide for policing from January 15, 1942, to May 31, 1943, subject to 6 months' notice of cancellation; payment to be \$800 annually, with an increase from the agreed strength of 1 at the rate of \$1,000 per man.
- I** Humboldt, Saskatchewan. Order in Council 286 of February 9, 1939, and an agreement dated April 3, 1941, provide for policing from May 1, 1941, to May 31, 1943, subject to 6 months' notice of cancellation; payment to be \$1,500 annually, with an increase or decrease from the agreed strength of 2 at the rate of \$1,000 per man.
- J** Kindersley, Saskatchewan. Order in Council 286 of February 9, 1939, and an agreement dated December 11, 1941, provide for policing from December 1, 1941, to May 31, 1943, subject to 6 months' notice of cancellation; payment to be \$800 annually, with an increase from the agreed strength of 1 at the rate of \$1,000 per man.
- K** Melfort, Saskatchewan. Order in Council 286 of February 9, 1939, and an agreement dated May 15, 1942, provide for policing from March 15, 1942, to May 31, 1943, subject to 6 months' notice of cancellation; payment to be \$1,500 annually, with an increase or decrease from the agreed strength of 2 at the rate of \$1,000 per man.
- L** Melville, Saskatchewan. Order in Council 3078 of December 15, 1937, approves policing from August 16, 1937, to July 31, 1942, subject to 6 months' notice of cancellation; payment to be \$3,000 annually plus proportionate cost of rentals, with an increase or decrease from the agreed strength of 3 at the rate of \$1,000 per man.
- M** Yorkton, Saskatchewan. Order in Council 286 of February 9, 1939, and an agreement dated September 1, 1941, provide for policing from September 1, 1941, to May 31, 1943, subject to 6 months' notice of cancellation; payment to be \$4,500 annually, with an increase or decrease from the agreed strength of 5 at the rate of \$1,000 per man.
- N** Province of Alberta. Order in Council 1766 of July 17, 1936, approves policing from June 1, 1935, to May 31, 1940, and unless one year's notice is given prior to May 31, 1940, shall continue in force until such notice is given; payment to be \$250,000 annually, with an increase or decrease from the agreed strength of 250 at the rate of \$1,000 per man.

- O** Province of Manitoba. Order in Council 2053 of May 21, 1940, approves policing from April 2, 1940, to April 1, 1950, and unless one year's notice is given prior to April 1, 1950, shall continue in force until such notice is given; payment to be \$150,000 annually, with an increase or decrease from the agreed strength of 150 at the rate of \$1,000 per man.
- P** Province of New Brunswick. Order in Council 1068 of May 14, 1937, approves policing from April 1, 1937, to March 31, 1942, or until one year's notice is given; payment to be \$100,000 annually, with an increase or decrease from the agreed strength of 100 at the rate of \$1,000 per man.
- Q** Province of Nova Scotia. Order in Council 1894 of August 4, 1936, approves policing from June 1, 1935, to May 31, 1936, and unless 3 months' notice is given prior to May 31, 1936, shall continue in force until such notice is given; payment to be \$115,000 annually, with an increase or decrease from the agreed strength of 115 at the rate of \$1,000 per man.
- R** Province of Prince Edward Island. Order in Council 1947 of July 16, 1935, approves policing from June 1, 1935, to May 31, 1940, and unless one year's notice is given prior to May 31, 1940, shall continue in force until such notice is given; payment to be \$20,000 annually, with an increase or decrease from the agreed strength of 20 at the rate of \$1,000 per man.
- S** Province of Saskatchewan. Order in Council 842 of April 6, 1936, approves policing from June 1, 1936, to May 31, 1943, or until one year's notice is given; payment to be \$275,000 annually, with an increase or decrease from the agreed strength of 275 at the rate of \$1,000 per man.

APPROPRIATIONS AND EXPENDITURES

A total of \$6,141,549.74 was available for expenditure on account of the Royal Canadian Mounted Police, of which \$5,769,256.40 was provided in the annual appropriation acts, and \$372,293.34 was authorized by continuing statutory provisions. Expenditures were \$5,984,663.60 for the fiscal year 1941-42, an increase of \$430,653.34 over those of \$5,554,010.26 in 1940-41. In addition, a total of \$3,209,074.93 was allotted to the Department from the War Appropriation.

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
318} *516}	General Administration	232,339 75	207,391 73	24,948 02
319} *517}	Land Services—Arising out of the Royal Canadian Mounted Police Act, enforcement of Federal Statutes generally, and other in- cidental expenses	5,509,746 75	5,380,628 17	129,118 58
320	Grant to Chief Constables Associa- tion of Canada	500 00	500 00	
	Compassionate Grant—			
518	Edward Crowell, Wolfville, N.S...	5,000 00	5,000 00	
519	Roy Harbottle, Nisku, Alberta ..	56 85	56 85	
PENSIONS AND OTHER BENEFITS				
321	To compensate members of the Royal Canadian Mounted Police for injuries received in the performance of duty	11,749 16	9,717 17	2,031 99
322	Pensions to Mounted Police, Prince Albert Volunteers and Police Scouts on account of the Rebel- lion of 1885	83 95	41 94	42 01

AUDITOR GENERAL'S REPORT

No. of Vote	Services	Appropriations	Expenditures	Lapsed
323	Pensions to families of members of the Mounted Police who have lost their lives while on duty— Mrs. Mary Emma Bossange \$456 25 Mrs. Marg. Johnson Brooke 821 25 Mrs. Margaret Cox 440 63 Mrs. Georgina Harrison 676 50 Mrs. Letitia Kennedy 423 50 Mrs. Nora Jean Massan..... 300 00 Mrs. Mary Miller 667 38 Mrs. Margaret Nicholson.... 547 50 Mrs. Catherine Mildred Ralls 735 25 Mrs. Myrtle L. Richards.... 720 00 Mrs. Doris Freda Sampson.. 816 00 Mrs. Amy Lillian Searle..... 406 98 Mrs. Madelaine Mary Shoebotham 810 00 Mrs. Eunice Wainwright ... 602 50	8,423 74	7,678 28	745 46
324	Pension to James Elliott.....	672 00	672 00	
325	Pension to Basil Burke Currie.....	684 20	684 12	0 08
Statutory	Pensions under the Royal Canadian Mounted Police Act, c. 160, R.S...	372,293 34	372,293 34	
	Total Ordinary Expenditures	\$6,141,549 74	\$5,984,663 60	\$ 156,886 14

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Vote 318	General Administration	216,503 00
Vote 516	Further amount required	15,836 75
		232,339 75
	Expenditures	207,391 73
	Lapsed	\$ 24,948 02

	Estimates details	Allotments authorized	Expenditures
A Salaries	54,285 00	54,285 00	51,644 82
B Pay and Allowances	152,019 75	152,019 75	140,792 07
C Housing and Quarters	14,100 00	14,100 00	11,129 16
D Clothing and Equipment	4,935 00	4,935 00	1,730 65
E Medical Services	500 00	500 00	
F Travelling Expenses and Transportation of Persons	5,000 00	5,000 00	2,095 03
G Provisions and Billeting	1,500 00	1,500 00	
	\$ 232,339 75	\$ 232,339 75	\$ 207,391 73

Comments on Expenditures

A As of March 31, 1942, there were 24 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: A. J. Anderson, \$2,700; M. H. Arnoni, \$2,880; G. T. Hann, \$4,500; J. A. Lynch, \$3,420; E. A. Ranger, \$2,400; A. H. Tremblay, \$2,400; I. Zivian, \$4,320.

B Rates of pay and allowances are authorized by the Governor in Council under the provisions of the Royal Canadian Mounted Police Act. Order in Council 103/2454 of April 9, 1941, approved the following new rates of pay, for all members of the force, effective April 1, 1941:—

Rank	New rates	Old rates
	Per annum rates of pay	
Commissioner	\$10,000	\$10,000
Deputy Commissioner	4,500	4,500
Assistant Commissioners—6	3,600	3,600
Assistant Commissioners	3,600	2,850-\$3,250
Superintendent, Surgeon, Veterinary Surgeon	2,720-\$3,120	2,250- 2,650
Inspector, Detective Inspector, Assistant Surgeon, Assistant Veterinary Surgeon	2,140- 2,540	1,650- 2,050
Sub-Inspector	2,000	1,550
Per diem rates of pay		
Staff-Sergeants, Sergeant-Majors—12	4 50	3 75
Staff-Sergeants, Sergeant-Majors	4 00	3 25
Sergeant	3 75	3 00
Corporal	3 00	2 50
Lance Corporal	Deleted	2 35
First Class Constable	2 50- 2 75	2 00- 2 25
Second Class Constable	2 25	1 75
Third Class Constable	2 00	1 50
Sub Constable, Trumpeter	1 75 max.	1 25 max.

The following was the administration strength in the various commissioned and non-commissioned ranks on March 31, 1942: 1 commissioner, 1 deputy commissioner, 2 assistant commissioners, 3 superintendents, 7 inspectors, 7 sergeant-majors and staff-sergeants, 8 sergeants, 19 corporals, 7 constables. As at March 31, 1942, or at date of separation (shown in brackets) the officers were in receipt of the following rates of pay: S. T. Wood, commissioner, \$10,000; R. Armitage, \$2,540; E. W. Bavin, \$3,120 (May 10); F. A. Blake, \$3,120; H. R. Butchers, \$2,340; R. L. Cadiz, \$4,500; K. Duncan, \$3,120; P. R. Forde, \$3,120; J. Fraser, \$2,340; A. Goodman, \$2,540; P. Hobbs, \$2,540; E. H. Perlson, \$2,140; D. C. Saul, \$2,540; R. R. Tait, \$3,600; J. M. Tupper, \$3,600. In addition to pay, officers are in receipt of the following allowances, which are paid out of this allotment; extra pay, general living allowance, ration allowance, rent allowance to officers who own their own homes, and retiring allowance, all paid in cash.

C This allotment includes payments for electric light, electric power and fuel for the private quarters of officers, also rent for private quarters of officers who live in leased apartments or houses. These payments together with any allowances received under Allotment B are in addition to the amounts shown after the officers' names in Allotment B.

Vote 319 Land Services—Arising out of the Royal Canadian Mounted Police Act, enforcements of Federal Statutes generally, and other incidental expenses..... 5,034,041 00

Vote 517 Further amount Required 475,705 75

Expenditures 5,509,746 75

Lapsed\$ 129,118 58

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries	84,560 00	84,560 00	72,086 22
B Pay and Allowances	3,573,595 25	3,573,595 25	3,498,719 82
C Housing and Quarters	404,847 00	404,847 00	404,847 00
D Clothing and Equipment	200,287 50	200,287 50	200,287 50
E Medical Services	5,000 00	5,000 00	1,291 15
F Travelling Expenses, including Investiga- tions and Equipment	451,500 00	451,500 00	451,500 00
G Provisions and Billeting	120,000 00	120,000 00	120,000 00
H Mechanical Transport	323,270 00	323,270 00	323,270 00
I Freight and Express	74,400 00	74,400 00	56,688 97
J Printing and Stationery and Office Equip- ment and Communications	188,650 00	188,650 00	188,650 00
K Air, Land, Water, Horse and Dog Trans- port	57,887 00	57,887 00	38,287 51
L Contingencies*	25,000 00	25,000 00	25,000 00
M Construction or Acquisition	750 00	750 00	
	<u>\$5,509,746 75</u>	<u>\$5,509,746 75</u>	<u>\$5,380,628 17</u>

Comments on Expenditures

In addition to the vote reported above, the Governor in Council allotted \$3,209,074.93 from the War Appropriation to the R.C.M. Police for pay, allowances, etc., to be expended in accordance with the War Appropriation Act of 1941. The combined expenditures chargeable to Vote 319, 517 and to the War Appropriation totalled \$8,381,998.35, of which \$3,001,370.18 was expended from the war allotment. As these expenditures are for similar purposes, the comments that follow refer to the total expenditure.

In addition to the revenues reported in the Revenue Section, refunds from various sources to the amount of \$386,195.11 were credited to these Votes during the year. The sources and amounts of a number of these refunds are as follows:—

Sale of cloth to firms tailoring uniforms, caps, etc., for resale to R.C.M. Police.	\$ 73,036 18
Police protection for Bank of Canada	40,612 33
Fire Protection, Dominion Public Buildings	15,000 00
Assistance to Remission Branch, Department of Justice.....	10,010 01
Mileage costs of police cars on investigations	28,320 80
Provincial gasoline tax	13,439 87
Travelling and investigation expenses, Department of National Revenue.....	24,378 92

A As of March 31, 1942, there were 54 employees paid from this vote. No employee was receiving an annual salary of \$2,400 or over on that date.

B This allotment provides for the pay and allowances, at rates set by the Governor in Council and referred to under Vote 318, of the commissioned officers appointed by the Governor in Council, and non-commissioned officers, constables and special constables appointed by the Commissioner. The following was the strength in the various commissioned and non-commissioned ranks at March 31, 1942; 6 assistant commissioners, 16 superintendents, 1 surgeon, 50 inspectors, 17 acting assistant surgeons, 8 sub-inspectors 45 sergeant-majors and staff-sergeants, 164 sergeants, 416 corporals, 2,083 constables, 1,642 special constables. As at March 31, 1942, or at date of separation (shown in brackets) the officers were in receipt of the following rates of pay: F. W. Allan, \$2,540; N. Anderson \$2,240; M. F. E. Anthony, \$2,340; C. Batch, \$2,240; F. P. Baxter, \$2,540; A. T. Belcher \$2,540; R. Bettaney, \$2,540; G. Binning, \$2,540; A. G. Birch, \$2,540; J. D. Bird, \$2,920. J. P. Blakeney, \$2,540; R. C. Bowen, \$2,340; J. T. Brown, \$2,140; W. V. M. Bruce, \$3,120. J. Brunet, \$2,540; S. Bullard, \$2,490; E. Carroll, \$2,540; T. B. Caulkin, \$3,600; T. W. Chard, \$2,000; A. S. Cooper, \$3,120; N. Courtois, \$2,340; H. H. Cronkhite, \$2,000; G. J. M. Curleigh, \$2,540; H. Darling, \$2,720; W. R. Day, \$3,120; A. Drysdale, \$2,540; A. N. Eames, \$3,120; F. T. Evens, \$2,440; O. P. Farthing, \$2,540; G. W. Fish, \$2,540; D. O. Forrest, \$2,000; H. M. Fowell, \$2,720; E. G. Frere, \$3,120; J. Fripps, \$2,540; E. D. Fryett \$2,000; H. A. R. Gagnon, \$3,120; C. K. Gray, \$3,120; W. C. Grennan, \$2,540; W. F. W.

Hancock, \$3,600; C. W. Harvison, \$2,240; J. Healey, \$2,240; C. H. Hill, \$3,600; J. Howe, \$2,440; T. B. Hutchings, \$2,540; T. H. Irvine, \$3,600 (December 1); J. Kelly, \$3,120; V. A. M. Kemp, \$3,120; J. W. Kempston, \$2,540; C. H. King, \$4,500 (May 1); C. N. K. Kirk, \$2,000; C. D. La Nauze, \$3,600; O. Lariviere, \$2,240; J. R. Lemieux, \$2,000; W. H. Lougheed, \$2,440; A. G. Marsom, \$2,540; D. J. Martin, \$2,540; H. P. Mathewson, \$2,000; G. B. McClellan, \$2,240; D. L. McGibbon, \$2,440; J. M. McIntosh, \$2,540; D. A. McKinnon, \$2,000; F. J. Mead, \$3,600; R. E. Mercer, \$3,120; W. Mortimer, \$2,540; L. H. Nicholson, \$2,920 (April 28); C. R. Peters, \$2,540; M. Powers, \$3,120; E. W. Radcliffe, \$2,540; C. E. Rivett-Carnac, \$2,540; E. C. P. Salt, \$3,120; T. V. Sandys-Wunsch, \$3,600; J. P. A. Savoie, \$2,540; F. W. Schutze, \$2,540; F. E. Spriggs, \$2,540; F. A. Syms, \$2,540 (February 17); J. F. Thrasher, \$2,140; H. N. Trickey, \$2,240; P. H. Tucker, \$3,120; W. W. Watson, \$3,120; A. F. C. Watts, \$2,540; H. W. H. Williams, \$2,140; R. S. S. Wilson, \$2,140; R. M. Wood, \$2,240; J. A. Wright, \$2,540; F. W. Zaneth, \$2,540. The following allowances are paid in cash from this allotment in addition to the amounts shown above: extra pay, general living allowance, ration allowance, rent allowance and retiring allowance. As at March 31, 1942, or at date of separation (shown in brackets) the following employed civilians were paid at the following rates: W. Munday, \$4,200 (February 8); G. A. Tremblay, \$3,420; R. G. Warnock, \$3,600.

C Included in this allotment are the following: barracks supplies and repairs, electric light, fuel, gas, rent, water, etc., for R.C.M. Police barracks across Canada. Payments are also made for electric light, fuel, gas, rent, etc., for the private quarters of officers, which is in addition to the amount shown after their names in Allotment B. Payments of \$5,000 or over were made to the following firms, etc., City of Regina, \$10,044.04; Drake Gibson Coal Co., Regina, \$17,634.28; Ottawa Light, Heat and Power Co. Ltd., \$5,897.27.

D This allotment includes the following: ammunition, firearms, laundry service, tailor shop supplies, uniforms and kit. Payments of \$5,000 or over were made to the following firms: P. A. Alain, Ltd., Quebec, \$5,496; Bates and Innes, Ltd., Carleton Place, Ont., \$8,558.43; Canadian Industries, Ltd., Montreal, \$13,428.23; Dominion Textile Co. Ltd., Montreal, \$17,949.88; Eagle Shoe Co. Ltd., Montreal, \$8,851.50; Hartt Boot and Shoe Co. Ltd., Fredericton, \$6,446.26; Hield Brothers, Ltd., Kingston, Ont., \$5,871.31; S. S. Holden, Ltd., Ottawa, \$6,053.93; Mercury Mills Ltd., Hamilton, \$7,508.86; Montreal Cottons Ltd., Valleyfield, Que., \$12,858.82; Paton Manufacturing Co. Ltd., Montreal, \$42,974.75; John B. Stetson Co. (Canada) Ltd., Brockville, Ont., \$8,750; Tooke Brothers Ltd., Montreal, \$14,166.98; C. Turnbull Co. Ltd., Galt, Ont., \$39,934.30; Workman Uniform Co. Ltd., Montreal, \$65,493.26.

E Medical attention, drugs, etc., provided for members of the force and their families, are administered and paid by the Department of Pensions and National Health except in remote detachments and in cases of emergency.

F Included in this allotment are the following: bus and railway fares, scientific instruments, secret service and travelling expenses. The following firms were paid \$5,000 or over: Canadian Kodak Sales, Ltd., Toronto, \$7,243.68; Ottawa Electric Railway Co., \$8,428.20.

G Included in this allotment is the Division mess ration allowance. This is administered by the officers commanding the various divisions and is based on the number of meals served in the messes.

H Included in this allotment are the following purchases: 122 new motor cars and 5 trucks, gasoline, oil and repairs to motor transport. The following firms were paid \$5,000 or over: British American Oil Co. Ltd., \$11,662.75; Dominion Motors Ltd., Winnipeg, \$5,198.42; Ford Motor Co. of Canada, Ltd., \$21,486.95; E. J. Hunter Tire Co., Toronto, \$5,026.80; McColl-Frontenac Oil Co., Ltd., \$6,148.76; Super Service Stations Ltd., Halifax, \$8,516.83.

J Included in this allotment are the following: office equipment, postage, printing and stationery, telegraph and telephone services. Telephones in the private quarters of officers are also paid from this allotment. The Post Office Department was paid \$33,620.85.

K Included in this allotment are the following: acquisition and maintenance of dogs, horses and equipment, inland water transport and R.C.M. Police aviation.

L This allotment includes the following: analysts', court and legal fees, funerals, grants, recreational equipment, subscriptions, etc. A grant of \$1,500 was made to the R.C.M. Police Quarterly Magazine under authority of P.C. 99/8400 of October 29, 1941.

General—Payments of \$5,000 or over were made to the following firms: Canadian National Carbon Co. Ltd., Toronto, \$5,805.34; Canadian National Railways, \$56,961.51; Canadian Pacific Railway Co., \$85,495.21; Hugh Carson Co. Ltd., Ottawa, \$6,394.81; City of Edmonton, \$6,920.59; Department of National Defence, \$22,259.26; Hudson's Bay Co., \$13,376.92; Imperial Oil, Ltd., \$17,886.02; Irving Oil Co. Ltd., \$5,327.07; King's Printer, Ottawa, \$143,456.78; Northern Alberta Railway Co., Edmonton, \$5,567.77; Northern Transportation Co. Ltd., Edmonton, \$13,123.93; Woods Manufacturing Co. Ltd., Ottawa, \$10,458.26.

Vote 320 *Grant to the Chief Constables Association of Canada* \$ 500 00

Vote 518 *Compassionate Grant—Edward Crowell, Wolfville, N.S.* \$ 5,000 00

Comments on Expenditures

This vote was provided to compensate Edward Crowell, Wolfville, N.S., in full settlement for claims arising out of an accident involving a Royal Canadian Mounted Police car on October 12, 1938.

Vote 519 *Compassionate Grant—Roy Harbottle, Niska, Alta.* \$ 56 85

Comments on Expenditures

This vote was provided to compensate Roy Harbottle for damages to his father's car, sustained while following chicken thieves.

PENSIONS AND OTHER BENEFITS

Vote 321 *To compensate members of the Royal Canadian Mounted Police for injuries received in the performance of duty* . . . 11,749 10
Expenditures 9,717 10
Lapsed \$ 2,031 90

Vote 322 *Pensions to Mounted Police, Prince Albert Volunteers and Police Scouts on account of the Rebellion of 1885* 83 90
Expenditures 41 90
Lapsed \$ 42 00

Vote 323 *Pensions to families of members of the Mounted Police who have lost their lives while on duty* 8,423 70
Expenditures 7,678 20
Lapsed \$ 745 40

Vote 324 *Pension to James Elliott* 672 00
Expenditures \$ 672 00

Vote 325 *Pension to Basil Burke Currie* 684 20
Expenditures 684 10
Lapsed \$ 0 00

Pensions under the Royal Canadian Mounted Police Act, c. 160, Part III, R.S. \$ 372,293 30

DEPARTMENT OF SECRETARY OF STATE

REVENUES

	Summary	1941-42	1940-41
Ordinary Revenue—			
Patent and Copyright Fees		407,275 15	400,266 56
Casual Revenue		168,594 75	197,559 92
Fines and Forfeitures		1,812 00	25 00
		<u>\$ 577,681 90</u>	<u>\$ 597,851 48</u>
	Details		
Patent and Copyright Fees—			
A Patents: Amendments after allowance, \$1,230; assignments, \$20,846.17; attorney's registration, \$280.60; caveats, \$1,328; claims, \$4,276.82; copies, \$6,339.74; filing fees, \$144,996; final fees, \$163,495; granting of licences under section 3 (emergency order), \$320; petitions under section 40, etc., \$25; reinstatement of applications, \$405; re-issue of patents, \$720; representative, \$16; restoration of applications, \$1,425; searches, \$198; subscriptions to <i>Patent Record</i> , \$4,459.31; sundries, \$41.22			350,401 86
B Trade Marks: Assignments, \$1,905.95; copies, \$500.30; Exchequer Court, \$5; notices, \$95; records (to amend), \$444.80; renewal of trade marks, \$1,804.97; suspension of rights under section 6 (emergency order), \$470; trade marks, \$33,812.75; sundries, \$30.29			42,069 06
C Copyrights and Designs: Assignments, \$618.87; copies, \$58.25; copyrights, \$10,428.35; designs, \$1,358; granting of licences under section 3 (emergency order), \$1,278; renewal of designs, \$1,026; timber marks, \$14; sundries, \$22.76..			14,804 23
Casual Revenue—			407,275 15
D Bankruptcy: Levies, \$9,747.04; licences, \$4,600.15			14,347 19
E Companies: Certificates of deposit of by-laws, \$374; certificates of filing prospectus, etc., \$76; certificates of registration, \$288; companies annual returns, \$63,671.89; filing of financial statements, \$3,636; letters patent and supplementary letters patent \$52,574.50; surrender of letters patent, \$6,020. Total \$126,640.39; less paid to Department of Public Printing and Stationery for advertising in <i>Canada Gazette</i> , \$2,309 and copies of <i>Canada Gazette</i> , \$73			124,258 39
F Naturalization: Certificates and certified copies of certificates of naturalization and retention of British nationality, \$26,562.11; remittances on account of fees in excess of authorized allowance by clerks of the court, H. McCulloch, Hamilton, Ont., \$410			26,972 11
G Registration: Certificates of authentication and exemplification of letters patent, \$178.25; certificates of formation of boards of trade, \$10; certificates of registration of trade unions, \$20; certificates, copies and certified copies, \$1,893.80; commissions under the Great Seal, \$415			2,517 05
I Various: Confiscated funds of prisoner of war, \$50; refund of costs in connection with court case, \$225.10; refund of previous year's expenditure, salaries, \$30.42; sale of metals, Patent and Copyright office, \$8; searches, \$175.75; sundries, \$10.74			500 01
Fines and Forfeitures—			168,594 75
Recovery under authority of P.C. 10/3511 of May 15, 1941, on \$34,900 judgment registered in favour of the Crown against the Honourable H. J. Logan, \$1,810; damage to Government property, \$2			1,812 00
		<u>\$ 577,681 90</u>	

Certified correct.

E. H. COLEMAN,
Under Secretary of State.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

AUDITOR GENERAL'S REPORT

Comments on Revenues

- A** The tariff of fees charged under the Patent Act is set forth in the Rules and Regulations approved by the Governor in Council, September 26, 1935.
- B C** Fees for registrations, certified copies and services rendered under the Copyright, Trade Mark and Design, Timber Marking and Unfair Competition Acts are prescribed by Statute; under the Shop Cards Registration Act by P.C. 1760 of July 26, 1938. The charges for licences under the Copyright Act are set by P.C. 991 of June 11, 1929.
- A B C** Under the authority of the War Measures Act, Chapter 206, R. S., the Governor in Council, P.C. 3362 of October 27, 1939, prescribed regulations to be known as "The Patents, Designs, Copyright and Trade Mark (Emergency) Order, 1939". These regulations concern the control of licences relating to patents, registered designs or copyrights, in conformity with the Defence of Canada Regulations, 1939, and the Regulations Respecting Trading with the Enemy, 1939. The fees charged for licences under the Emergency Order were authorized by P.C. 3362 of October 27, 1939, and P.C. 2198 of March 31, 1941.
- D** The administration of the Bankruptcy Act was transferred from the Department of Finance to the Department of the Secretary of State by authority of P.C. 201 of January 25, 1939. Under the Bankruptcy Act, the levy is determined by P.C. 360 of February 22, 1937, and the licence fee by the Minister.
- E** Charges for services under the Companies Act are authorized by P.C. 1039 of April 30, 1936. The cost of advertising in the *Canada Gazette*, notice of the granting of letters patent, supplementary letters patent and surrender of letters patent, required under the terms of the Companies Act, and the cost of issues in which such notices appear, are considered part costs of the services rendered and, as such, have been deducted from the Revenue.
- F** Fees charged under the Naturalization Act are authorized by P.C. 1933 of August 4, 1938. Remissions of naturalization fees, amounting to \$50, paid from Vote 327, were made to veterans of the late war.
- G** The fees charged under the Trade Union Act are prescribed by Statute and under the Boards of Trade Act by P.C. 1397 of August 22, 1924.

APPROPRIATIONS AND EXPENDITURES

A total of \$862,846.76 was available for expenditure on account of the Department of Secretary of State, of which \$831,536 was provided in the annual appropriation Acts, \$16,868.29 was authorized by continuing statutory provisions and \$14,442.47 was transferred from the annual appropriations for the Department of Finance. Expenditures were \$822,692.02 for the fiscal year 1941-42, an increase of \$50,214.09 as compared with those of \$772,477.93 in 1940-41.

In addition, a total of \$193,016.38 was allotted to the Department from the War Appropriation. Expenditures, thereunder, amounting to \$185,509.44 are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Statutory	Salary of the Secretary of State, Salaries Act, c. 182, R.S.	9,972 96	9,972 96	
Statutory	Motor Car Allowance to Secretary of State, Appropriation Act, No. 5, c. 61, 1931	1,994 58	1,994 58	
326 } *420 }	Departmental Administration	93,471 20	93,229 31	241 89
327	Naturalization Branch	60,470 00	55,654 23	4,815 77
328	Companies Branch	45,000 00	41,725 37	3,274 63
329 } 520 }	Bureau for Translations	323,980 00	309,675 04	14,304 96
330	Trade Marks Division	25,210 00	22,082 39	3,127 61
331	Canada Temperance Act	1,500 00	1,429 08	70 92
Statutory	Canada Temperance Act, c. 196, R.S.	4,080 75	4,080 75	
332	Bankruptcy Act Administration	35,600 00	31,560 75	4,039 25

* Supplementary vote.

DEPARTMENT OF SECRETARY OF STATE

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No. of Vote	Services	Appropriations	Expenditures	Lapsed
PATENT AND COPYRIGHT OFFICE				
333	Branch Administration	35,075 00	33,981 42	1,093 58
334	Patent Division	150,800 00	148,547 93	2,252 07
335}	Copyright and Industrial Designs			
521}	Division	16,105 00	9,496 11	6,608 89
336}	Patent Record	43,513 96	43,205 36	308 60
*420 441}				
337	Contribution to the International Office for the Protection of Indus- trial Property, International Copy- right Union Office and Union for the Protection of Literary and Artistic Works	2,000 00	1,983 43	16 57
GENERAL				
68	Unforeseen Expenses, \$80,000; transfer	13,253 31	13,253 31	
SUPERANNUATION AND RETIREMENT BENEFITS				
Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.	820 00	820 00	
Total Ordinary Expenditures		\$ 862,846 76	\$ 822,692 02	\$ 40,154 74

Certified correct.

B. G. MCINTYRE,
Comptroller of the Treasury.

The above accounts have been examined
and audited under my direction, in accord-
ance with the provisions of the Consolidated
Revenue and Audit Act, and subject to the
observations in this report, I certify that
in my opinion they are correct.

WATSON SELLAR,
Auditor General.

<i>Salary of the Secretary of State, Salaries Act, c. 182, R.S.</i>	\$ 9,972 96
<i>Motor Car Allowance to Secretary of State, Appropriation Act, No. 5, c. 61, 1931</i>	\$ 1,994 58

Comments on Expenditures

Hon. P. F. Casgrain was paid from April 1 to Dec. 14 and Hon. N. A. McLarty from Dec. 16 to March 31.

<i>Vote 326 Departmental Administration</i>	92,565 00
<i>Vote *420 Cost-of-Living Bonus, supplement</i>	906 20
<i>Expenditures</i>	93,471 20
<i>Lapsed</i>	\$ 241 89

* Supplementary vote.

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries	79,715 00	80,621 20	80,621 20
B Printing and Stationery	7,850 00	7,850 00	7,821 81
C Travelling Expenses	1,500 00	1,374 16	1,277 94
D Telegrams and Telephones	2,000 00	2,525 84	2,433 94
E Sundries	1,500 00	1,100 00	1,074 42
	<u>\$ 92,565 00</u>	<u>\$ 93,471 20</u>	<u>\$ 93,229 31</u>

Comments on Expenditures

A As of March 31, 1942, there were 41 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): E. H. Coleman, Under Secretary of State, \$8,000; M. J. Birdwhistle, \$3,120; F. Corbin, \$4,080 (Dec. 16); J. F. Delaute, \$3,720; P. Deziel, \$3,000; H. W. Doyle, \$3,000; A. W. Hamilton, \$4,080; E. McIntyre, secretarial allowance, Dec. 16 to Mar. 31, \$158.23 (salary paid by Department of Public Works); W. P. J. O'Meara, \$5,220; D. J. Shuttleworth, \$2,400; P. Thibault, \$3,000.

C Travelling expenses of \$300 or over: Hon. P. F. Casgrain, \$500; F. Corbin, \$398.13.

E Includes \$548.53 for newspapers and publications.

Vote 327 Naturalization Branch	60,470 00
Expenditures	55,654 23
Lapsed	\$ 4,815 77

	Estimates details	Allotments authorized	Expenditures
A Salaries	49,470 00	49,470 00	48,545 26
B Printing and Stationery	9,000 00	9,000 00	5,133 76
C Sundries, including Telegrams, Telephones and Travelling Expenses	2,000 00	2,000 00	1,975 21
	<u>\$ 60,470 00</u>	<u>\$ 60,470 00</u>	<u>\$ 55,654 23</u>

Comments on Expenditures

A As of March 31, 1942, there were 38 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: O. Coderre, \$4,200; J. E. Duggan, \$3,000.

C Includes \$1,480, payments to clerks of the court, etc., for furnishing returns; \$50, refund of fees to veterans of the late war; and \$118.20 for legal services.

Vote 328 Companies Branch	45,000 00
Expenditures	41,725 37
Lapsed	\$ 3,274 63

	Estimates details	Allotments authorized	Expenditures
A Salaries	40,200 00	40,200 00	39,770 55
B Printing and Stationery	2,000 00	2,000 00	781 19
C Travelling Expenses	1,500 00	1,500 00	783 31
D Sundries, including Telegrams and Tele- phones	1,300 00	1,300 00	390 32
	<u>\$ 45,000 00</u>	<u>\$ 45,000 00</u>	<u>\$ 41,725 37</u>

Comments on Expenditures

- A As of March 31, 1942, there were 24 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): B. Aubrey, \$2,400; W. G. Gunn, \$2,640 (Jan. 1); J. P. McCaffrey, \$3,000.
- C W. P. J. O'Meara received \$415.07 for travelling expenses.
- D Telephones and telegrams amounted to \$224.86.

Vote 329 Bureau for Translations 308,220 00

Vote 520 Further amount required 15,760 00

Expenditures 323,980 00
309,675 04

Lapsed \$ 14,304 96

	Estimates details	Allotments authorized	Expenditures
A Salaries	315,730 00	315,730 00	304,927 31
B Printing and Stationery	6,500 00	6,500 00	4,682 69
C Sundries, including Telegrams and Tele- phones, and Travelling Expenses	1,750 00	1,750 00	65 04
	<u>\$ 323,980 00</u>	<u>\$ 323,980 00</u>	<u>\$ 309,675 04</u>

Comments on Expenditures

- A As of March 31, 1942, there were 135 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): D. T. Robichaud, Superintendent, \$5,400; X. Baillet, \$2,520; L. F. Bance, \$3,000 (July 6); J. W. Baril, \$3,480; J. R. Barrette, \$3,240; J. E. Bayard, \$3,480; A. H. Beaubien, \$4,140; J. C. Beauchamp, \$3,480; Y. Beaulne, \$2,520 (on military leave from Jan. 14); M. J. H. Belisle, \$2,520; A. M. Belleau, \$3,420; E. R. Bellemare, \$3,000; H. P. Benoit, \$2,520; E. A. Boivin, \$3,000; A. E. Boucher, \$2,520; E. Boucher, \$2,520; E. Boudreau, \$2,520; E. Bournival, \$2,520; M. Brunet, \$2,520; C. H. Carbonneau, \$4,140; E. N. Castonguay, \$3,000; L. J. Chagnon, \$3,480; O. Chaput, \$3,420; J. P. A. Chartrand, \$3,480; J. P. Chevassu, \$3,480; A. Cinq-Mars, \$3,480; L. U. Corbeil, \$2,640; P. Daviault, \$3,480 (on military leave from Dec. 24); L. de Bellefeuille, \$3,480; R. de la Durantaye, \$3,480; A. Demers, \$3,300; T. Dorion, \$2,520 (June 1); E. J. Duchesnay, \$3,360; C. E. Duckett, \$2,520; T. Dumont, \$3,000; C. Dumouchel, \$2,400; U. Emard, \$2,400; J. Falardeau, \$2,520; L. P. Gagnon, \$3,000; R. Girard, \$3,480 (Feb. 1); G. Gosselin, \$3,000; D. Goulet, \$2,520; J. A. P. Hurtubise, \$2,760; J. T. Keliher, \$3,480; M. Lachaine, \$3,480; C. E. Lamb, \$3,480 (on military leave from Mar. 17); P. Larose, \$2,520; J. M. Lavoie, \$3,480; L. J. E. Lebel, \$2,520; J. H. Lemieux, \$3,000; J. C. Letellier, \$3,000; P. E. Levesque, \$3,420; L. V. Madore, \$3,000; J. M. Magnant, \$2,520; H. Marier, \$3,420; J. Masson, \$3,000; E. J. O. Maubach, \$2,520; J. H. Mayer, \$2,520; C. Michaud, \$3,240; C. E. Mortureux, \$3,420; A. D. O'Farrell, \$2,400; P. G. Ouimet, \$4,140; C. Pare, \$2,880; J. E. Plante, \$2,520; H. Poulin, \$2,520; J. F. Renault, \$3,240; J. A. Rochon, \$2,520; R. Rumilly, \$2,760; G. A. Sauve, \$2,520; E. Schenck, \$3,480; M. J. Schuller, \$3,240; J. L. O. Taillefer, \$2,520; J. G. Terrien, \$3,480 (Apr. 6); P. E. Terrien, \$3,420; A. Tremblay, \$3,420; H. Vincelette, \$3,420.

One supernumerary position was added to the organization of the Bureau for Translations to provide for the return to the Bureau of a permanent employee who had been seconded to the Minister's secretarial staff.

Under P.C. 37/1147, June 16, 1927, any employee who holds a permanent position in the Civil Service and has been appointed to the Minister's secretarial staff shall revert to his or her former classification upon the retirement of the Minister.

Under P.C. 144/1268, May 28, 1936, which provided for the abolition of vacant positions, exception was made for the position vacated by an employee assigned to the Minister's secretarial staff.

In this case the vacated position had been reclassified at a higher grade and used for the promotion of another employee and as a result a new position had to be created for the returning employee.

Vote 330 Trade Marks Division	25,210 00
Expenditures	22,082 39
Lapsed	\$ 3,127 61

	Estimates details	Allotments authorized	Expenditures
A Salaries	21,210 00	21,210 00	19,939 57
B Printing and Stationery	3,000 00	3,000 00	1,795 49
C Sundries, including Telegrams and Tele- phones, and Travelling Expenses	1,000 00	1,000 00	347 33
	<u>\$ 25,210 00</u>	<u>\$ 25,210 00</u>	<u>\$ 22,082 39</u>

Comments on Expenditures

- A** As of March 31, 1942, there were 14 employees paid from this vote. The following was receiving an annual salary of \$2,400 or over on that date: D. D. Ryan, \$3,360.
- C** Includes telegrams and telephones, \$229.48, and travelling expenses of D. D. Ryan, \$112.85.

Vote 331 Canada Temperance Act	1,500 00
Expenditures	1,429 08
Lapsed	\$ 70 92
Canada Temperance Act, c. 196, R.S.	\$ 4,080 75

Comments on Expenditures

Expenses in connection with the election held in the County of Beauce, Que., Sept. 15, 1941, under the provisions of the Canada Temperance Act amounted to \$7,262.31 and were charged as follows: Vote 331, \$1,429.08; Consolidated Fund, \$4,080.75 and Vote 68, Unforeseen Expenses, \$1,752.48 (T.210339B. of July 25, 1941).

Vote 332 Bankruptcy Act	35,600 00
Expenditures	31,560 75
Lapsed	\$ 4,039 25

	Estimates details	Allotments authorized	Expenditures
A Salaries	30,200 00	30,200 00	28,056 98
B Rent and Maintenance	2,400 00	2,400 00	2,270 40
C Printing and Stationery	1,500 00	1,500 00	1,102 32
D Travelling Expenses	500 00	500 00	79 16
E Investigations, Legal Costs and other un- foreseen contingencies	1,000 00	1,000 00	51 89
	<u>\$ 35,600 00</u>	<u>\$ 35,600 00</u>	<u>\$ 31,560 75</u>

Comments on Expenditures

- A** As of March 31, 1942, there were 11 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): W. J. Reilley, Superintendent of Bankruptcy, \$8,000; R. W. Baillie, \$2,880; R. T. Boulton, \$3,000 (June 14); J. Francis, \$4,620; J. S. Larose, \$2,400.
- B** The amount for rent and maintenance was paid to the Department of Public Works.

Patent and Copyright Office

Vote 333 Branch Administration	35,075 00
Expenditures	33,981 42
Lapsed	\$ 1,093 58

	<u>Estimates details</u>	<u>Allotments authorized</u>	<u>Expenditures</u>
A Salaries	30,820 00	30,898 00	30,897 15
B Printing and Stationery	3,500 00	3,500 00	2,807 89
C Sundries, including Telegrams, Telephones and Travelling Expenses	755 00	677 00	276 38
	<u>\$ 35,075 00</u>	<u>\$ 35,075 00</u>	<u>\$ 33,981 42</u>

Comments on Expenditures

A As of March 31, 1942, there were 14 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. T. Mitchell, Commissioner of Patents, \$7,000; A. Langlois, \$4,500.

Vote 334 Patent Division	150,800 00
Expenditures	148,547 93
Lapsed	\$ 2,252 07

	<u>Estimates details</u>	<u>Allotments authorized</u>	<u>Expenditures</u>
A Salaries	136,600 00	136,600 00	136,210 35
B Printing and Stationery	13,000 00	13,000 00	11,547 86
C Sundries, including Telegrams, Telephones and Travelling Expenses	1,200 00	1,200 00	789 72
	<u>\$ 150,800 00</u>	<u>\$ 150,800 00</u>	<u>\$ 148,547 93</u>

Comments on Expenditures

A As of March 31, 1942, there were 72 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): M. Baker, \$3,720; R. C. Berry, \$3,720; H. A. Campbell, \$3,720; C. H. Cumming, \$2,400; H. B. Davies, \$2,640; W. H. Delahaye, \$4,380; A. Fortin, \$3,720; C. P. Grenfell, \$3,000; F. G. Mace, \$3,720; R. C. MacPherson, \$3,480; J. H. G. Marshall, \$3,720; G. A. Martineau, \$2,400; R. O. McGee, \$2,400 (on loan to Inspection Board of United Kingdom and Canada from Dec. 22); W. H. T. McGill, \$3,540; E. G. Metcalfe, \$2,400; W. T. Michel, \$2,880; H. Osmond, \$3,720; A. D. Pope, \$2,760 (on military leave from June 5, noon); F. W. Simons, \$2,400; T. O. Whillans, \$3,720; J. H. Young, \$3,720.

C Includes \$588 paid for cartage.

Audit Note

* R. O. McGee, who was on loan to and paid by the Inspection Board of the United Kingdom and Canada from Dec. 22, was paid \$64.52 from Vote 334 for the period Dec. 22 to 31. This amount was not recovered, according to the records of the Central Pay Office.

Vote 335	Copyright and Industrial Designs	11,105 00
Vote 521	Further amount required	5,000 00
		16,105 00
Expenditures		9,496 11
Lapsed		\$ 6,608 89

	<u>Estimates details</u>	<u>Allotments authorized</u>	<u>Expenditures</u>
A Salaries	8,040 00	8,040 00	8,021 16
B Printing and Stationery	2,500 00	2,500 00	1,429 95
C Sundries	5,565 00	5,565 00	45 00
	\$ 16,105 00	\$ 16,105 00	\$ 9,496 11

Comments on Expenditures

A As of March 31, 1942, there were 6 employees paid from this vote. The following was receiving an annual salary of \$2,400 or over on that date: V. Quaglia-Roblin, \$2,880.

Vote 336	Patent Record	36,320 00
Vote 441	Further amount required	6,911 00
		43,231 00
Vote *420	Cost-of-living Bonus, supplement	282 96
		43,513 96
Expenditures		43,205 36
Lapsed		\$ 308 60

	<u>Estimates details</u>	<u>Allotments authorized</u>	<u>Expenditures</u>
A Salaries	7,020 00	7,302 96	7,302 96
B Printing and Stationery	35,411 00	35,411 00	35,382 02
C Sundries	800 00	800 00	520 38
	\$ 43,231 00	\$ 43,513 96	\$ 43,205 36

Comments on Expenditures

A As of March 31, 1942, there were 4 employees paid from this vote. The following was receiving an annual salary of \$2,400 or over on that date: J. L. Hudon, \$3,000.

C Includes \$425.72 paid for postage.

Vote 337	Contribution to the International Office for the Protection of Industrial Property, International Copyright Union Office and Union for the Protection of Literary and Artistic Works	2,000 00
Expenditures		1,983.43
Lapsed		\$ 16 57

Comments on Expenditures

Canada's contributions to the International Office at Berne, Switzerland, were 3,670.65 Swiss francs for the protection of literary and artistic works for the year 1940 and 3,992.35 Swiss francs for the protection of industrial property for the year 1941.

* Supplementary vote.

General

Vote 68 Unforeseen Expenses, \$80,000; transfer \$ 13,253 31

Comments on Expenditures

Payments from Vote 68 were made on the authority of Treasury Board, as follows:—
 Repayment of the cost of railway fares for the transportation by the C.N.R. of Capt. Lyttle and Lt. Chatfield of the Governor General's official staff, and twelve members of the household staff, from Halifax to Ottawa, in June, 1940, in connection with the Governor General's Reception, \$311.30.

Expenses incurred in connection with the National Ceremony held at Kingston on Saturday, June 7, 1941, in recognition of the fiftieth anniversary of the death of Sir John A. Macdonald, \$1,590.81.

Cost in connection with the election, held in the County of Beauce, Que., Sept. 15, 1941, under the provisions of the Canada Temperance Act, \$1,752.48 (see Vote 331).

Expenses incurred by Col. C. H. King, former Assistant Commissioner of the Royal Canadian Mounted Police, while in attendance on His Royal Highness, the Duke of Windsor, during his visit to Canada in September, 1941, \$577.68.

Expenses incurred in connection with the National Ceremony held at St. Lin, Que., on Nov. 20, 1941, in remembrance of the one hundredth anniversary of the birth of Sir Wilfrid Laurier, \$152.06 (see also Mines and Resources Dept.).

Expenses incurred in connection with the State Funeral of the late Rt. Hon. Ernest Lapointe, Minister of Justice, who died on Nov. 26, 1941, \$8,868.98.

Superannuation and Retirement Benefits

Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S. \$ 820 00

SOLDIER SETTLEMENT OF CANADA

(Under the jurisdiction of the Minister of Mines and Resources)

REVENUES

	1941-42	1940-41
Ordinary Revenue		
Casual Revenue	\$ 1,809 87	\$ 11,416 12

Certified correct.

G. MURCHISON,
Director.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

Revenues for 1941-42 consisted of: Sales of four used cars, \$1,090; sales of mineral rights in Elgin and Norfolk counties, Ontario, \$601; sundry sales, \$39; old warrants transferred from Suspense Account, \$32.95; and refunds of gasoline taxes, paid in 1940-41, \$46.92. In 1940-41, \$10,000 was received for sale of Mineral rights.

APPROPRIATIONS AND EXPENDITURES

A total of \$869,291.47 was available for expenditure on account of Soldier Settlement of Canada, of which \$598,465 was provided in the annual appropriation acts and \$270,826.47 was authorized by continuing statutory provisions. Expenditures were \$835,195.28 for 1941-42, a decrease of \$757,532.98 from the expenditures of \$1,592,728.26 in 1940-41.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
338	Cost of Administration of Soldier Settlement and British Family Settlement	578,465 00	555,717 70	22,747 30
339	Payment to the Government of the United Kingdom on account of losses under the 3,000 British Family Agreement of August 20, 1924, and the New Brunswick 500 British Family Agreements of August 4, 1927, and August 27, 1935	20,000 00	8,651 11	11,348 89
Total ordinary expenditure		\$ 598,465 00	\$ 564,368 81	\$ 34,096 19

WRITE-DOWN OF ASSETS

Statutory Reductions in Soldier and General Land Settlement Loans, Soldier Settlement Act, c. 49, 1925, and Farmers' Creditors Arrangement Act, c. 53, 1934	270,826 47	270,826 47	
Total	\$ 869,291 47	\$ 835,195 28	\$ 34,096 19

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Vote 338 Administration of Soldier Settlement and British Family Settlement

Expenditures	578,465 00
Lapsed	555,717 70

Lapsed	\$ 22,747 30
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	Estimates details	Allotments authorized	Expenditures
A Salaries	464,440 00	464,440 00	459,439 11
B Travelling Expenses	70,850 00	67,850 00	56,595 00
C Motor Car Replacement	10,475 00	10,475 00	7,101 28
D Printing and Stationery	7,000 00	9,000 00	7,179 83
E Miscellaneous	22,500 00	23,500 00	23,146 95
F Indian Soldier Settlement	3,200 00	3,200 00	2,255 53
	\$ 578,465 00	\$ 578,465 00	\$ 555,717 70

Comments on Expenditures

A As of March 31, 1942, there were 221 permanent and 33 temporary employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over, on that date, or at date of separation (shown in brackets):

Head Office: G. Murchison, director, \$6,600; W. M. Jones, general superintendent, \$6,000; E. J. Ashton, \$4,140; W. K. Chandler, \$3,420; P. R. Cronsberry, \$2,400; H. R. Holmes, \$3,000; F. Jacques, \$2,760; A. Jamieson, \$2,700; F. A. Munroe, \$2,460; J. F. Nash, \$4,200; S. H. Radford, \$2,400; O. C. White, \$4,200.

Saint John: I. C. Banks, \$2,400; C. G. Gillies, \$2,400; W. B. Nixon, \$2,400; C. H. Scott, \$2,400.

Sherbrooke: J. W. Clarke, \$2,400; J. G. Russell, \$2,880; E. J. Tapp, \$2,400.

Toronto: B. E. Foyston, \$2,460; W. G. Hill, \$2,400; J. T. Johnston, \$2,640; K. W. Macdonald, \$2,400; G. W. McCall, \$2,400; G. E. R. Milne, \$2,400; A. R. R. Mitchell, \$2,400; C. M. Nixon, \$3,900; C. F. Shaw, \$2,400.

Winnipeg: A. E. Clayton, \$2,400; J. C. Fuller, \$3,900; V. T. Hewer, \$2,760; J. Kay, \$2,460; A. Lang, \$2,400; F. C. W. Rice, \$2,460; B. Saunderson, \$2,400; T. H. Smith, \$2,400.

Saskatoon: R. Brown, \$2,400; J. D. Hamilton, \$2,400; E. H. Henley, \$2,460; W. J. Hughes, \$2,400; L. B. Larson, \$2,400; G. P. Marshall, \$2,400; J. A. McKay, \$2,400; L. D. Messenger, \$2,400; J. P. Nottingham, \$2,640; J. A. Paul (Aug. 1), \$2,400; G. G. Sherwood, \$2,400; W. L. Taylor (Oct. 8, Military leave), \$3,360; E. E. Thomson, \$2,640; R. R. Tooley (Dec. 23), \$2,640; J. M. Varey, \$4,380.

Calgary: R. R. Armstrong, \$2,400; F. C. Bolton, \$2,400; G. E. Burrell, \$3,000; R. D. Clarke, \$2,400; A. Findlater, \$2,640; W. C. Miller, \$2,400; R. C. Smith, \$2,400.

Edmonton: H. Allam, \$3,900; J. W. C. Burns, \$2,760; T. B. Diplock, \$2,580; D. J. Macdonald, \$2,400; G. A. Miller, \$2,400; T. Palfrey, \$2,400; O. M. Pickard, \$2,400.

Vancouver: I. T. Barnett, \$3,900; A. Berner (Dec. 4), \$2,400; R. W. Brown, \$2,400; J. C. Child, \$2,880; T. Godfrey, \$2,400; G. Johnston, \$3,000; J. D. Patterson, \$2,400; R. L. Ramsay, \$2,400.

B Travelling expenses in excess of \$300 were paid as follows:

Head Office: W. K. Chandler, \$316.85; G. Murchison, \$589.28.

Saint John: I. C. Banks, \$807.42; E. A. Bent, \$839.38; E. W. Campbell, \$685.74; J. D. Freeman, \$704.94; C. G. Gillies, \$624.57; J. H. Hoyt, \$1,160.31; R. B. Murray, \$1,049.53; W. B. Nixon, \$866.38; J. E. Phinney, \$1,383.86; C. H. Scott, \$477.33.

Sherbrooke: J. W. Clarke, \$1,208.21; J. G. Russell, \$319.30; E. J. Tapp, \$1,789.90.

Toronto: E. L. Braithwaite, \$1,460.93; E. N. Buckley, \$964.65; J. M. Creelman, \$1,110.33; E. R. Donaldson, \$1,977.70; B. E. Foyston, \$660; H. L. Harshaw, \$999.82; W. G. Hill, \$920.58; J. T. Johnston, \$803.03; F. G. Kelsall, \$875.60; J. S. Martin, \$1,314.16; W. B. McMullin, \$1,310.25; G. E. R. Milne, \$726.05; A. R. Mitchell, \$500.49; C. M. Nixon, \$486.48; C. L. Rawson, \$722.24; R. W. Rayner, \$1,763.49; C. F. Shaw, \$987.60.

AUDITOR GENERAL'S REPORT

Winnipeg: R. T. Brew, \$751.38; A. W. Brownlie, \$855.56; A. E. Clayton, \$634.26; H. F. Danielson, \$548.33; D. A. Grant, \$805.84; A. Lang, \$739.17; W. G. Pennington, \$730.13; B. Saunderson, \$789.65; T. H. Smith, \$780.94.

Saskatoon: J. F. Brown, \$548.39; Robert Brown, \$583.92; R. A. Brown, \$512.39; B. S. Dermody, \$679.90; E. W. Duffus, \$955.09; J. Duncan, \$489.90; M. F. Everitt, \$594.32; I. L. Holmes, \$568.48; W. D. Joynt, \$460.09; L. B. Larson, \$645.24; D. G. Mackay, \$824.18; A. D. McCollum, \$499.72; J. A. McKay, \$650.53; A. Meikle, \$634.84; L. D. Messenger, \$353.78; J. P. Nottingham, \$769.15; T. J. Porter, \$917.09; G. G. Sherwood, \$493; C. P. Thomas, \$818.11; E. E. Thomson, \$588.27; R. Vickers, \$547.84; F. R. Wade, \$599.28; H. C. Washington, \$931.20.

Calgary: H. A. Allum, \$458.45; R. R. Armstrong, \$864.70; F. C. Bolton, \$596.12; A. Findlater, \$443.18; H. Goldfinch, \$634.44; W. C. Miller, \$1,044.42; T. G. Reeves, \$827.23; C. Riley, \$598.71; W. Sinclair, \$766.76; R. C. Smith, \$810.90.

Edmonton: H. Allam, \$455.73; L. Amos, \$654.39; J. W. C. Burns, \$509.98; J. G. Clark, \$742.11; C. A. Disturnal, \$825.70; G. E. B. Dunster, \$658.68; A. F. Honner, \$883.90; G. A. Miller, \$415.93; D. J. McDonald, \$633.83; J. N. McEachren, \$311.65; G. C. McLean, \$574.30; J. P. Nottingham, \$322.56; T. Palfrey, \$470.67; O. M. Pickard, \$753.17; F. Turnbull, \$756.77; F. L. Walker, \$736.38; C. S. Wilson, \$782.72.

Vancouver: I. T. Barnett, \$332.83; A. Berner, \$390.43; R. W. Brown, \$690.60; J. C. Child, \$435.18; D. Dodding, \$904.85; T. Godfrey, \$403.14; G. T. McKay, \$1,227.66; J. D. Patterson, \$486.85; L. B. Plumbley, \$762.13; R. L. Ramsay, \$317.55; H. L. Sinclair, \$612.80; W. W. Wood, \$942.73; B. C. Wormworth, \$865.19.

Upkeep of government-owned motor cars cost \$5,226.

C Sixteen new motor cars were purchased at a cost of \$19,495.92, less allowance of \$8,128 on 14 used cars. Investigations made for other departments and boards were charged with \$4,266.44 of the cost.

E Miscellaneous expenditures include \$8,385.45 for postage and \$5,065.55 for telegrams and telephone calls.

F Expenditure consists of services and expenses of E. Moses: salary, \$1,895.28; travelling expenses, \$360.25.

In addition to \$555,717.70 expenses charged to Vote 338, \$90,729.17 was expended by Soldier Settlement staffs on activities in connection with other departments and boards which was repaid as follows: Canadian Farm Loan Board, \$56; Farmers' Creditors Arrangement Act, \$18,272; Mines and Resources, \$1,894.61; National Defence, Dependents' Allowance Board, \$20,000, Tilley Area project, \$4,162.56; Pensions and National Health, \$46,344.

Vote 339 Payment to the Government of the United Kingdom on account of losses under the British Family Agreement and the New Brunswick British Family Agreements

Expenditures 20,000 00
8,651 11

Lapsed \$ 11,348 89

WRITE-DOWN OF ASSETS

Reductions in Soldier and General Land Settlement Loans

Farmers' Creditors Arrangement Act, c. 53, 1934 171,099 10
Soldier Settlement Act as amended, c. 49, Geo. V, 23-24, section 73, Dollar for Dollar bonus 100,689 18

271,788 28

Less: Adjustment in 30 per cent Reductions, written off in previous years 961 81

\$ 270,826 47

LOANS AND INVESTMENTS

Vote 421 Soldier Land Settlement and British Family Settlement		
Net Advances		105,000 00
Expenditures		99,401 78
Lapsed	\$	5,598 22

These expenditures have been charged to the Open Accounts as follows:

Soldier Land Settlement	78,430 55
General Land Settlement	20,937 98
Purchased Lands	33 25
	\$ 99,401 78

Payments for taxes amounted to \$80,496.93, insurance, \$5,595.76, Indian Soldier Settlers \$1,469.55, and miscellaneous advances, \$11,839.54.

A condensed statement of the operation of the Open Accounts for 1941-42 is as follows:

	Balance April 1, 1941	Debits 1941-42	Credits 1941-42	Balance March 31, 1942
Soldier Land Settlement	46,699,863 59	136,588 01	1,677,688 45	45,158,763 15
General Land Settlement	5,527,427 58	20,937 98	258,408 20	5,289,957 36
Purchased Lands	65,431 13	33 25	204 05	65,260 33
	52,292,722 30	157,559 24	1,936,300 70	50,513,980 84
Credit—				
Land Assurance Fund	10,557 71			10,557 71
Suspense	76,624 30	2,897,658 91	2,910,196 77	89,162 16
	87,182 01			99,719 87
	\$52,205,540 29	\$3,055,218 15	\$4,846,497 47	\$50,414,260 97
Non-Active Assets	16,525,917 49			16,525,917 49
Active Assets	35,679,622 80			33,888,343 48

Soldier Land Settlement—Expenditures include \$78,430.55 advanced to soldier settlers to pay taxes, insurance, etc., and \$58,157.46 reductions, granted under the Farmers' Creditors Arrangement Act to British Family settlers, which have been charged back to former Soldier Settlement owners. Receipts consist of \$1,408,818.05, repayment of principal and \$268,870.40 written off soldier settlers' accounts under authority of the Soldier Settlement and Farmers' Creditors Arrangement Acts and charged to Consolidated Fund. In addition to repayments of principal \$902,550.71 was collected as interest and deposited to Consolidated Revenue Fund as Interest on Investments.

The Balance Sheet, as at March 31, 1942, submitted by the Soldier Settlement, shows gross loans as \$117,199,619.62 and Farmers' Creditors Arrangement Act reductions charged back from General Land Settlement as \$1,515,795.83, value of lands transferred to the British Family Settlement scheme as \$8,449,532.67, legislative reductions of loans, \$25,251,284.86 and repayments of principal \$39,855,834.77.

General Land Settlement—Expenditures cover special advances to British Family settlers. Receipts include \$198,294.67 repayment of principal, \$1,956.07 written off settlers' accounts under the Soldier Settlement Act and charged to Consolidated Fund and \$58,157.46 reductions under the Farmers' Creditors Arrangement Act charged back to former soldier settler owners. In addition to the repayments of principal \$145,223.60 was received as interest and credited to the Consolidated Revenue Fund as Interest on Investments.

Of the gross advances of \$9,950,298.17, \$1,301,538.40 has been repaid and the legislative reductions amounted to \$3,359,802.41.

The General Land Settlement Account relates to the advances made by the Dominion to the British Family Settlement and the New Brunswick Settlement Schemes to which schemes the United Kingdom Government contributed. Under the agreements with the United Kingdom Government the accounts relating to these two schemes are audited annually under the direction of the Auditor General and copies of the Audit reports are transmitted to His Majesty's Secretary of State for Dominion Affairs. At March 31, 1942, the outstanding loans due to the United Kingdom were shown as \$1,806,121.30 and overdue interest as \$35,430.95.

DEPARTMENT OF TRADE AND COMMERCE

REVENUES

Summary

Ordinary Revenue—	1941-42	1940-41
Canada Grain Act	2,358,269 29	1,656,657 53
Electric Light Inspection	885,893 23	827,701 23
Gas Inspection	91,901 70	84,187 50
Weights and Measures Inspection	419,299 75	426,333 00
Casual Revenue	201,260 00	203,838 58
Fines and Forfeitures	960 00	1,627 25
	<u>\$3,957,583 97</u>	<u>\$3,200,345 09</u>

The increase in the revenue of approximately \$700,000 over that of 1940-41, resulted chiefly from storage and elevation services at the Canadian Government Elevators.

Details

A Canada Grain Act including Canadian Government Elevators:

Elevators: Calgary, \$92,214.96; Edmonton, \$144,721.92; Lethbridge, \$121,934.14; Moose Jaw, \$354,707.21; Prince Rupert, \$36,802.89; Saskatoon, \$362,532.40..	1,112,913 52
Rent, Port Arthur Elevator	67,900 25
Grain inspection fees	582,267 40
Grain weighing fees	570,430 62
Licence fees	30,817 00
Registration and cancellation of warehouse receipts	32,969 56
Sale of grain samples	14,791 70
Sundries, Canadian Government Elevators, \$5,225.81, including \$4,082.74 for surplus grain; general, \$15,785.64	21,011 45

B Electricity and gas inspection services: electricity inspection fees, \$286,751.75; laboratory fees, \$353.75; gas inspection fees, \$91,851.70; export licences, gas, \$50, electricity, \$750; export duty, electricity, \$598,037.73	977,794 93
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C Weights and measures inspection service: inspection fees, \$416,666.55; laboratory fees, \$2,633.20	419,299 75
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D Dominion Bureau of Statistics, bulletin service	13,240 67
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E Export Permit Branch, export permit fees	94,900 88
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F Fines and forfeitures: Precious Metals Marking Act, \$200; Statistics Act, \$100; Weights and Measures Act, \$660.....	960 00
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G Refunds of expenditure, etc., currency certificate fees, \$2,001.23; refunds of outstanding advances of previous years, \$1,395; sundry revenue, Commercial Intelligence Service, cables and sundries, \$806.22; Exhibitions and Publicity, sale of carrier bags, \$6,534.25; National Research Council, \$761.69; miscellaneous items, \$6,787.85	18,286 24
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\$3,957,583 97

Certified correct.

L. D. WILGRESS,
Deputy Minister.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues have been accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

A The Canadian Government Elevators are operated by the Board of Grain Commissioners under authority of the Canada Grain Act. The tariffs charged for services rendered are established by the Board of Grain Commissioners and published in the *Canada Gazette* under Section 15 of the Act. Approximately \$1,098,000 was received for storage and elevation of grain and the balance for cleaning, drying, sale of screenings, etc.

The Port Arthur Elevator is leased under the authority of the Governor in Council to the McCabe Bros. Grain Company at an annual rental of \$45,000 with a further amount assessed for installation and use of certain machinery. Additional rentals are required if the quantity of grain elevated through the elevator exceeds 9,000,000 bushels; also if the storage rate of $\frac{1}{30}$ of 1c per bushel per day is maintained or increased.

B Electric Light Inspection: The Electricity Inspection Act requires that meters used for the purpose of establishing the charge for electrical service shall be inspected subject to regulations. The inspection fees are established by the Governor in Council under the authority of section 21 of the Act. The revenue is collected by the inspecting officer who affixes stamps to the value of the cost of inspection to the certificate issued.

Gas Inspection: The fees for testing gas and gas meters are established by the Governor in Council under section 11 of the Gas Inspection Act. The revenue is collected by the inspecting officer who affixes stamps to the value of the cost of inspection to the certificate issued.

Electricity and Fluid Exportation: Annual licences are issued with the authority of the Governor in Council under the Act for the export of electric power, natural gas, fluid, etc. Duty is assessed for the export of electricity in accordance with the rates established by the Governor in Council.

C Weights and Measures Inspection: Section 53 of the Weights and Measures Inspection Act provides that the Governor in Council may, from time to time, make a tariff of fees for inspecting and stamping weights and measures, balances, etc. The revenue is collected by the inspecting officer who affixes stamps to the value of the cost of the inspection to the certificate issued.

E Under authority of Order in Council, P.C. 2448 of April 8, 1941, and the War Measures Act an Export Permit Branch was established in the Department of Trade and Commerce in order to centralize the control over the issuance of export permits for all products for which such permits are required. Regulations governing the granting of permits are issued by the Minister of Trade and Commerce.

APPROPRIATIONS AND EXPENDITURES

A total of \$22,980,392.13 was available for expenditure on account of the Department of Trade and Commerce of which \$10,353,307 was provided in the annual appropriation Acts, \$12,584,918.12 was authorized by continuing statutory provisions and \$24,867.01, \$15,000 and \$2,300 were transferred from the annual appropriations from the Departments of Finance, Labour and National Revenue, respectively. Expenditures were \$21,638,246.20 for the fiscal year 1941-42, an increase of \$3,354,114.06 as compared with those of \$18,284,132.14 in 1940-41.

In addition, a total of \$81,262 was allotted to the Department from the War Appropriation. Expenditures thereunder, amounting to \$79,736.27, are shown in the War Expenditure section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
	Statutory Salary of Minister, Salaries Act, c. 182, R.S.	10,000 00	10,000 00	
	Statutory Motor Car Allowance to Minister, Appropriation Act, No. 5, c. 61, 1931	2,000 00	2,000 00	
340 }	Departmental Administration	139,610 60	134,898 43	4,712 17
*442 }				
*420 }				
193 }				

* Supplementary Vote.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
341	Commercial Intelligence Service ..	746,040 00	667,554 23	78,485 77
342	Electricity and Gas Inspection Services, including administration of the Electricity and Fluid Exportation Act	270,905 00	269,295 88	1,609 12
343	Foreign Tariffs Office	36,890 00	35,791 20	1,098 80
345 } *420 }	Precious Metals Marking Act	12,763 60	12,115 23	648 37
346	Publicity and Advertising in Canada and Abroad, other than in the United Kingdom and Europe...	54,360 00	39,466 59	14,893 41
347 } *420 }	Weights and Measures Inspection Service	437,442 26	424,934 97	12,507 29
Canada Grain Act—				
349	Administration	104,648 50	97,599 59	7,048 91
350	Operation and Maintenance	1,564,247 50	1,504,424 06	59,823 44
351	Canadian Government Elevators	374,702 00	307,315 68	67,386 32
Dominion Bureau of Statistics—				
352 } *420 }	Administration	83,090 00	83,059 92	30 08
353 }				
*420 } 107 }	Statistics	967,314 99	954,744 95	12,570 04
354	Census of Population	2,886,350 00	2,614,666 49	271,683 51
Exhibitions and Publicity—				
355	Exhibitions	112,900 00	84,356 49	28,543 51
356	Publicity and Advertising in the United Kingdom	45,020 00	39,549 59	5,470 41
Mail Subsidies and Steamship Subventions—				
357 } *420 }	Administration	9,850 56	9,280 97	569 59
358	Atlantic Ocean	100,000 00		100,000 00
359	Pacific Ocean	732,000 00	78,746 02	653,253 98
360 } 522 }	Local Services	541,950 00	527,818 30	14,131 70
Superannuation and Retirement Benefits				
Statutory Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.				
		2,090 00	2,090 00	
National Research Council				
361	Salaries and other expenses of the National Research Council	832,635 00	824,955 49	7,679 51
Total Ordinary Expenditures		10,066,810 01	8,724,664 08	1,342,145 93

* Supplementary Vote.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
Special				
523	National Research Council—New premises for Annex Laboratories.	342,754 00	342,754 00	
	Statutory Canadian Wheat Board—Deficits—			
	Canadian Wheat Board Act, 1935	12,570,828 12	12,570,828 12	
	Total Special Expenditures	12,913,582 12	12,913,582 12	
	Total	\$22,980,392 13	\$21,638,246 20	\$1,342,145 93

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Salary of Minister—Salaries Act, c. 132, R.S., Hon. J. A. MacKinnon.. \$10,000 00

*Motor Car Allowance to Minister—Appropriation Act No. 5, 1931,
c. 61, 1931 \$ 2,000 00*

Vote 340 Departmental Administration 126,480 00
*Vote *442 Further amount required 8,725 00*
Vote 193 Amount transferred from National Revenue Department... 2,300 00
*Vote *420 Cost of Living Bonus 2,105 60*

139,610 60

Expenditures 134,898 43

Lapsed \$ 4,712 17

	Estimates details	Allotments authorized	Expenditures
A Salaries	94,253 00	96,358 60	96,358 60
B Printing and stationery	5,000 00	7,300 00	5,366 55
C Travelling expenses	4,500 00	4,500 00	3,232 55
D Telegrams and telephones	3,000 00	5,500 00	4,544 11
E Printing annual report	700 00	700 00	369 08
F Trade Mission abroad	13,725 00	13,725 00	13,690 56
G Canadian Trade Index	10,000 00	10,000 00	10,000 00
H Sundries	4,027 00	1,527 00	1,336 98
	\$ 135,205 00	\$ 139,610 60	\$ 134,898 43

Comments on Expenditures

A As of March 31, 1942, there were 46 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): L. D. Wilgress, Deputy Minister, \$9,000; A. C. L. Adams, \$4,080; V. Labelle.

* Supplementary Vote.

\$2,400; Y. Lamontagne, \$4,980; L. T. Lett, \$2,400 (on loan to Department of National Defence from Dec. 15); O. Master, \$5,220; M. E. McCrae, \$3,000; H. Sherritt, \$3,480; F. Sim, \$4,680; G. B. Smith, \$3,780; V. Vergette, \$2,400.

B E These payments were made to the King's Printer. This allotment includes \$2,300 transferred from Vote 193 of the National Revenue Department to provide for printing and stationery for the Export Permit Branch, Treasury Board Minute T 206864 B, May 2, 1941.

C Travelling expense payments over \$300 were: Hon. J. A. MacKinnon, \$2,210; L. D. Wilgress, \$392.55; A. C. L. Adams, \$507.62.

F Expenses of the Trade Mission to South America.

G The department purchased from the Canadian Manufacturers' Association, 5,000 copies of the 1941 edition of the Canadian Trade Index at a cost of \$10,000.

Vote 341 Commercial Intelligence Service	746,040 00
Expenditures	667,554 23
Lapsed	\$ 78,485 77

	Estimates details	Allotments authorized	Expenditures
A Salaries	425,082 00	425,082 00	400,051 87
B Living allowances	142,503 00	123,503 00	118,379 80
C Office rents	37,000 00	37,000 00	34,440 68
D Telegrams, telephones, postage	19,000 00	28,000 00	27,146 08
E Printing and stationery	19,500 00	19,500 00	12,412 35
F Travel and removal	50,000 00	60,000 00	36,513 22
G Local transportation	4,700 00	4,700 00	3,102 14
H Equipment, acquisition and repairs	4,800 00	4,800 00	3,051 60
I Miscellaneous	21,955 00	21,955 00	17,901 34
J Printing Commercial Intelligence Journal..	18,000 00	18,000 00	11,342 62
K Newspapers and periodicals	3,500 00	3,500 00	3,212 53
	\$ 746,040 00	\$ 746,040 00	\$ 667,554 23

Purpose for which Vote was provided

Expenditures relating to the maintenance of the Headquarters at Ottawa and the Trade Commissioners' offices in the British Empire and in foreign countries. The functions of these officials are to promote primarily the export trade of Canada.

Comments on Expenditures

A B As at March 31, 1942, there were 89 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at the date of separation as indicated. The amount received as living allowance is shown in brackets.

Headquarters: K. G. Chamberlain, \$5,220; H. W. Cheney, \$4,560; L. J. Gleeson, \$2,760; W. H. Grant, \$4,020; J. E. MacKay, \$3,420 (Mar. 1, loaned to Department of Pensions and National Health); T. G. Major, \$3,900; G. D. Mallory, \$4,020; J. F. McDonald, \$2,520; C. H. Payne, \$5,580; E. B. H. Wright, \$3,000.

Trade Commissioners' Offices: S. V. Allen, \$2,940 (\$2,165.57); L. H. Ausman, \$2,940 (\$1,336.27); H. Barre, \$4,980; P. M. Belanger, \$2,940 (\$2,135.63); C. B. Birkett, \$2,940 (\$1,850.77); C. S. Bissett, \$4,080 (\$3,324.96); R. P. Bower, \$2,940 (\$1,893.39); H. W. Brighton, \$3,480 (\$3,324.96); J. C. Britton, \$2,940 (\$2,027.61); H. L. Brown, \$2,940 (\$2,427.64); A. E. Bryan, \$5,760 (\$2,025); W. F. Bull, \$4,080 (\$1,687.50); B. C. Butler, \$4,080 (\$2,572.90); J. Cormack, \$4,980 (\$2,019.37); D. S. Cole, \$5,760 (\$4,275); L. M. Cosgrave, \$4,980 (\$2,162.34); C. M. Croft, \$4,980; J. C. Depocas, \$2,940 (\$2,493.72); A. K. Doull, \$2,940 (\$1,870.29); V. E. Duclos, \$4,080 (\$2,700); J. H. English, \$4,980 (\$2,379.44); F. W. Fraser, \$4,980 (\$2,374.92); L. S. Glass, \$4,080 (\$2,731.17); W. B. Gornall, \$4,980 (\$2,700); R. Grew, \$4,080; G. R. Heasman, \$4,980; F. Hudd, \$5,760 (\$3,150); G. B. Johnson, \$5,760 (\$2,025); J. A. Langley, \$4,980 (\$3,150); W. B. McCullough, \$2,460 (\$1,447.74); J. A. MacDonald, \$2,940; J. C. MacGillivray, \$4,980 (\$2,925); E. L. McColl, \$5,760 (\$2,019.56); P. V. McLane,

\$4,080 (\$2,700); J. P. Manion, \$2,940, Mar. 1 (\$2,939.09); T. J. Monty, \$2,940; A. B. Muddiman, \$4,980 (\$2,374.92); J. L. Mutter, \$4,080 (\$2,925); G. A. Newman, \$3,180 (\$2,374.92); K. F. Noble, \$2,940 (\$1,970.12); F. H. Palmer, \$4,980 (\$2,700); M. B. Palmer, \$4,080 (\$3,307.08); G. R. Paterson, \$3,480 (\$2,084); H. A. Scott, \$4,980 (\$3,449.52); W. G. Stark, \$2,940 (\$1,959.36); M. T. Stewart, \$2,940 (\$2,061.51); J. A. Strong, \$4,980 (\$3,324.96); P. Sykes, \$4,080 (\$3,600); H. Turcot, \$4,080 (\$1,168.55); M. J. Vechsler, \$4,080 (\$1,937.53); C. G. Venus, \$3,540; C. H. West, \$2,940 (\$3,206.28); R. T. Young, \$4,080.

F Travelling and removal expenses of \$300 or over, removal expenses in brackets: M. Belanger (\$2,492.76); J. C. Britton, \$1,647.73; A. E. Bryan, \$335.32; D. S. Cole, \$695.48; J. Cormack, (\$269.71); L. M. Cosgrave, \$2,733.79; C. M. Croft, \$2,832.28; A. K. Doull, (\$588.46); J. C. MacGillivray, \$398.27; G. D. Mallory, \$719.08; J. P. Manion, \$391.77; E. L. McColl, \$505.47 (\$706.45); W. B. McCullough, \$556.04 (\$1,131.17); A. B. Muddiman, \$1,037.67; J. L. Mutter, \$424.02; G. A. Newman, \$370.53; K. Noble, \$462.42 (\$692.51); G. R. Paterson, \$1,635.32; H. A. Scott, (\$784.62); P. Sykes, \$1,515.25; H. Turcot, \$1,485.69; M. J. Vechsler, \$3,256.06.

General: Payments made to departmental officials to assist in the replacement of personal effects and household goods lost in enemy occupation of countries where they were formerly employed, \$5,550.

B F An amount of \$8,184.14 for departmental expenses in various enemy occupied countries was disbursed on behalf of the Department by representatives of the United States Government.

J This amount was paid to the King's Printer.

Vote 342 Electricity and Gas Inspection Services including administration of the Electricity and Fluid Exportation Act **270,905 00**
Expenditures **269,295 88**

Lapsed **\$ 1,609 12**

	Estimates details	Allotments authorized	Expenditures
A Salaries	221,205 00	220,292 37	220,292 37
B Travelling expenses	36,000 00	37,000 00	36,303 08
C Equipment	5,000 00	4,000 00	3,642 62
D General contingencies	8,000 00	8,912 63	8,591 54
E Printing of Annual Report	700 00	700 00	466 27
	\$ 270,905 00	\$ 270,905 00	\$ 269,295 88

Comments on Expenditures

A As at March 31, 1942, there were 109 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. L. Stiver, director, \$4,620; F. C. Babington, \$2,520; A. J. Cantin, \$2,400; R. J. Chevrier, \$2,700; H. M. Clark, \$3,300; N. R. Cole, \$2,400; H. A. Dupre, \$3,720; C. Grant, \$2,400; R. W. Guy, \$3,240; J. A. Ham, \$2,520; S. N. Hart, \$3,300; L. V. Hunt, \$2,580; J. H. Labelle, \$2,400; J. Levasseur, \$2,400; H. B. Penny, \$2,400; E. F. Power, \$2,400; A. F. Robertson, \$2,400; G. T. Scouler, \$2,520; S. A. Shrimpton, \$2,400; W. Skaffe, \$2,400; J. C. Smith, \$2,520; J. Stott, \$3,300; S. B. Upper, \$2,400; H. H. Wilson, \$2,520.

B Travelling expense payments over \$300 were: T. S. Aman, \$657.57; H. Anderson, \$991.81; W. G. Andrews, \$1,144.59; H. Bissonnette, \$588.32; C. D. Briggs, \$428.73; J. A. Cantin, \$490.40; H. M. Clark, \$611.58; J. W. Clayton, \$711.82; J. A. Cruickshank, \$970.87; K. Cryer, \$442.37; G. A. Fountain, \$732.14; W. C. Frye, \$624.44; J. R. Gardiner, \$756.11; E. M. Grant, \$831.70; W. F. Guenther, \$446.10; P. T. Hagan, \$544.74; E. J. Head, \$343.52; J. Hillis, \$595.79; A. Kent, \$427.95; P. T. Keogh, \$831.08; J. H. Labelle, \$1,222.57; J. T. Liddle, \$997.21; J. W. McKay, \$654.33; W. F. Miller, \$554.04; G. E. Neal, \$390.55; H. B. Penny, \$404.53; W. R. Percival, \$811.67; G. O. Piirainen, \$791.30; G. R. Readman, \$376.75; J. A. Reid, \$1,119.62; G. L. Renner, \$766.77; J. L. Stiver, \$396.33; J. Stott, \$353.68; E. R. Teece,

\$510.88; E. R. Tovell, \$347.99; J. R. Trudel, \$984.60; T. J. Warren, \$679.04; J. H. Weekes, \$877.28; P. Whitfield, \$1,085.73; H. E. Wilkins, \$453.40; H. H. Wilson, \$359.85; N. H. Young, \$470.97.

- D Payments totalling \$6,824.08 were made to the King's Printer for stationery and supplies.
E The annual report was printed by the King's Printer.

Vote 343 Foreign Tariffs Office	36,890 00
Expenditures	35,791 20
Lapsed	\$ 1,098 80

	Estimates details	Allotments authorized	Expenditures
A Salaries	35,790 00	35,790 00	35,217 32
B Printing and stationery	800 00	800 00	470 59
C Travelling expenses	100 00	100 00	
D Telegrams and telephones	125 00	125 00	61 50
E Sundries	75 00	75 00	41 79
	<u>\$ 36,890 00</u>	<u>\$ 36,890 00</u>	<u>\$ 35,791 20</u>

Purpose for which vote was provided

This office distributed, usually direct to exporters, detailed information on the world's tariffs, customs invoicing, consular regulations, merchandise marking and related requirements, etc. In addition to this, general information was circulated in leaflets and in the Commercial Intelligence Journal.

Comments on Expenditures

- A As of March 31, 1942, there were 14 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): W. Gilchrist, chief, foreign tariffs division, \$4,800; G. C. Cowper, \$3,420; R. E. Green, \$3,420; W. G. R. Hopkins, \$2,400; H. V. Jarrett, \$3,000; E. J. McMeekin, \$3,420; H. K. Potter, \$3,000; J. J. Stock, \$3,000 (Dec. 26).

Vote 345 Precious Metals Marking Act	12,690 00
Vote *420 Cost of Living Bonus	73 60

	12,763 60
Expenditures	12,115 23
Lapsed	\$ 648 37

	Estimates details	Allotments authorized	Expenditures
A Salaries	9,090 00	9,163 60	9,163 60
B Professional and special services	600 00	600 00	367 00
C Travelling expenses	2,500 00	2,500 00	2,217 14
D Miscellaneous	500 00	500 00	367 49
	<u>\$ 12,690 00</u>	<u>\$ 12,763 60</u>	<u>\$ 12,115 23</u>

Purpose for which Vote was provided

The expenses of an inspection service which is provided for the purpose of seeing that all articles are correctly marked so as to indicate the fineness of the metal used in their manufacture.

* Supplementary Vote.

Comments on Expenditures

- A As of March 31, 1942, there were 4 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: T. A. Burns, inspector, \$3,600; W. L. Berry, \$2,400.
- C Travelling expenses were: W. L. Berry, \$1,446.71; J. A. Boisseau, \$467.63; T. A. Burns, \$302.80.

Vote 346	Publicity and Advertising in Canada and abroad other than in the United Kingdom and Europe	54,360 00
	Expenditures	39,466 59
	Lapsed	\$ 14,893 41

	Estimates details	Allotments authorized	Expenditures
A Salaries	7,060 00	7,060 00	6,228 56
B Advertising in Canadian newspapers, trade and industrial and financial papers and magazines	25,000 00	25,000 00	22,266 90
C Advertising in publications abroad, exclusive of Great Britain and Europe	15,000 00	15,000 00	9,713 59
D Translation of material distributed to periodicals in Latin American countries	3,000 00	3,000 00	232 01
E Newspapers for clipping and reference purposes	500 00	500 00	273 40
F Printing and stationery	1,200 00	1,200 00	519 07
G Photographs	500 00	500 00	
H Travelling expenses	200 00	200 00	
I Contingencies	1,900 00	1,900 00	233 06
	\$ 54,360 00	\$ 54,360 00	\$ 39,466 59

Comments on Expenditures

- A As of March 31, 1942, there were 3 employees paid from this vote. The following was receiving an annual salary of \$2,400 or over on that date: H. E. M. Chisholm, director of publicity, \$4,000.
- B C F Payments over \$5,000 were: R. C. Smith & Son, Toronto, \$22,428.55; King's Printer, Ottawa, \$6,720.54.

Vote 347	Weights and Measures Inspection Service	436,840 00
Vote *420	Cost of Living Bonus	602 26
		437,442 26
	Expenditures	424,934 97
	Lapsed	\$ 12,507 29

	Estimates details	Allotments authorized	Expenditures
A Salaries	259,340 00	259,942 26	259,942 26
B Travelling expenses	35,000 00	35,000 00	34,880 53
C Cartage	120,000 00	120,000 00	112,366 38
D Freight, express, etc.	1,500 00	1,500 00	810 64
E Supplies, materials and printing	10,000 00	10,000 00	8,303 39
F Telegrams, telephones, postage, etc.	6,000 00	6,000 00	4,417 90
G Miscellaneous	5,000 00	5,000 00	4,213 87
	\$ 436,840 00	\$ 437,442 26	\$ 424,934 97

* Supplementary vote.

Comments on Expenditures

A As of March 31, 1942, there were 137 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): E. O. Way, director, \$4,620; W. F. Balcom, \$2,400; J. A. Bourgeois, \$2,400; L. J. Bourget, \$2,400; E. S. Butterfield, \$2,400; A. E. H. Cable, \$2,400; T. A. Cada, \$2,400; S. Cuddy, \$3,360; J. C. A. Dion, \$2,400; W. J. Field, \$2,520; J. F. Fredette, \$2,400; F. T. Hart, \$2,400; C. E. Leblanc, \$2,520; R. Marshall, \$2,400; D. J. McLean, \$3,720; J. McLeod, \$2,400 (Jan. 12); L. F. Pannell, \$2,400; A. J. Richardson, \$2,520; F. H. Sargent, \$2,400; J. W. Scott, \$2,400; C. F. Sheppard, \$2,820; R. Wallace, \$3,240.

B Travelling expense payments in excess of \$300 were: L. E. Allen, \$710.02; H. G. W. Ashley, \$420.75; J. E. L. Baillargeon, \$357.51; A. A. Baird, \$575.13; B. Beavis, \$398.73; A. B. Bennett, \$424.30; W. R. Billings, \$639.60; A. Bouchard, \$350.23; W. R. Boyd, \$372.25; L. Brousseau, \$537.16; V. Bulger, \$342.67; J. A. Burrows, \$491.05; E. S. Butterfield, \$368.25; N. S. Cameron, \$398.45; F. C. Clark, \$1,299.75; C. H. Couture, \$1,081.02; J. H. L. Couture, \$306.76; B. F. DeLong, \$392.35; P. E. Dionne, \$303; J. F. Dunn, \$445.98; R. P. Emery, \$532.05; T. H. Fleming, \$514.67; J. B. Fletcher, \$338.50; D. B. Flewelling, \$607.18; C. A. Germain, \$557.31; C. F. Gervan, \$581.48; C. Gibson, \$541.31; R. Gill, \$483.30; J. Hamilton, \$369.55; S. Harper, \$494.30; G. C. Hodgins, \$455.49; F. L. Howden, \$465.09; F. C. Jewett, \$583.90; O. Johnson, \$350; J. Kokesh, \$331.60; H. A. Lemay, \$632.65; J. O. Lemieux, \$535.27; L. R. J. Macdonald, \$437.98; C. S. MacLean, \$362.27; D. J. McLean, \$342.28; J. E. Meilleur, \$642.95; F. L. Melady, \$766.61; A. T. Milner, \$302.70; H. Monckton, \$317.60; G. H. Morgan, \$478.30; E. D. Palmer, \$387.07; F. G. Plewes, \$470.90; J. O. A. Poirier, \$320.04; G. Richard, \$1,057.66; D. A. Rose, \$659.25; F. J. Shaw, \$403.11; C. H. Stalker, \$307.70; T. C. Suttie, \$585.71; J. H. Thomson, \$497.95; G. Valin, \$442; H. H. Wilson, \$475.56; W. R. Winram, \$439.47.

C The cost of transportation of inspection equipment and weights was charged to this allotment.

E This allotment includes \$5,579.05 paid to the King's Printer for printing and stationery.

G Short weight supervision, \$3,503.54 including an amount of \$1,010.56 for legal services; sundries, \$710.33.

Vote 349 - Canada Grain Act—Administration	104,648 50
Expenditures	97,599 59
Lapsed	\$ 7,048 91

	Estimates details	Allotments authorized	Expenditures
A Salaries	82,407 50	83,270 50	82,347 93
B Advertising	400 00	400 00	
C Telegrams, telephones and postage	1,950 00	1,950 00	1,444 51
D Equipment	742 00	742 00	437 01
E Miscellaneous current expenses	475 00	475 00	450 84
F Professional services	3,500 00	2,637 00	1,216 22
G Rents	5,589 00	5,589 00	5,147 92
H Supplies	2,360 00	2,360 00	1,595 45
I Freight, express and cartage	225 00	225 00	94 38
J Travelling expenses	7,000 00	7,000 00	4,865 33
	<u>\$ 104,648 50</u>	<u>\$ 104,648 50</u>	<u>\$ 97,599 59</u>

Comments on Expenditures

A As of March 31, 1942, there were 19 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over at that date or at date of separation (shown in brackets): E. B. Ramsay, chief commissioner, April 1 to December 31, \$12,000; D. G. McKenzie, chief commissioner, Jan. 1 to March 31, \$12,000; W. H. Blatchford, \$7,500; R. S. Dundas, \$7,500; C. M. Hamilton, \$10,000; T. J. Harrison, \$7,500; W. Johnston, \$2,400; D. A. MacGibbon, \$10,000; F. J. Rathbone, \$7,500; J. Rayner, \$4,620.

J Travelling expense payments over \$300 were: W. H. Blatchford, \$602.01; R. S. Dundas, \$695.36; C. M. Hamilton, \$705.70; T. J. Harrison, \$843.93; D. A. MacGibbon, \$709.55; D. G. McKenzie, \$434.83; J. Rayner, \$698.40.

Vote 350 Canada Grain Act—Operation and Maintenance, including Inspection, Weighing, Registration, etc.	1,564,247 50
Expenditures	1,504,424 06
Lapsed	\$ 59,823 44

	Estimates details	Allotments authorized	Expenditures
A Salaries	1,394,292 50	1,386,292 50	1,347,744 15
B Telegrams, telephones and postage	11,881 00	11,881 00	9,865 29
C Equipment	9,580 00	7,949 79	5,877 09
D Miscellaneous current expenses	8,993 00	10,623 21	8,891 52
E Professional services	5,000 00	5,000 00	3,206 00
F Rents	67,346 00	67,346 00	67,069 60
G Supplies	25,644 00	25,644 00	20,597 17
H Freight, express and cartage	12,511 00	12,511 00	11,145 37
I Travelling expenses	29,000 00	37,000 00	30,027 87
	<u>\$1,564,247 50</u>	<u>\$1,564,247 50</u>	<u>\$1,504,424 06</u>

Comments on Expenditures

A As of March 31, 1942, there were 539 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. D. Fraser, Chief Grain Inspector, Apr. 1 to May 3, \$6,000; F. S. Ludlam, chief grain inspector, May 4 to Mar. 31, \$5,400; A. G. Adams, \$2,580; C. Ainsworth, \$2,460; T. Ainsworth, \$2,460; T. R. Aitken, \$3,420; K. Allan, \$2,460; A. A. Anderson, \$2,460; E. Anderson, \$2,460; J. A. Anderson, \$4,800; J. H. Ardies, \$2,460; W. Armstrong, \$2,880; B. H. S. Arnold, \$3,000; I. A. Attrill, \$2,460 (Feb. 25); J. S. Axworthy, \$2,580; F. E. Backus, \$2,880; F. Barker, \$2,460; H. W. Beard, \$2,460; W. J. Beck, \$2,880; D. A. Benson, \$3,240; A. E. Bird, \$2,460; D. Bone, \$2,880; J. H. Booth, \$3,000; R. Bottoms, \$2,460; J. F. Britten, \$2,460; H. H. Broomfield, \$2,880; E. H. Brown, \$2,880; G. Brown, \$2,880; W. Bruce, \$2,460; A. Burn, \$2,460; F. T. Butler, \$2,880; J. Byers, \$2,880; E. Campbell, \$2,880; S. M. Capon, \$4,200, also \$500 from Vote 347; G. W. Carl, \$2,460; H. Carruthers, \$2,580; J. Carruthers, \$3,000; J. H. Casford, \$2,460; W. C. Chivers, \$2,880; A. L. S. Clarke, \$2,460; E. W. Cliff, \$2,880; W. P. Closs, \$4,200; W. H. Comba, \$3,120; M. Conacher, \$2,880; J. Connell, \$2,880; H. S. Cooper, \$3,000; B. Corbett, \$3,900; J. I. R. Cousineau, \$3,000; C. W. Cracknell, \$3,000; A. M. Creighton, \$2,880; L. L. Cressman, \$2,880; J. Cuddy, \$4,380; N. G. Davis, \$2,880; R. C. Deakin, \$2,400; A. E. Denman, \$2,460; S. Denney, \$2,880; W. A. Dennis, \$2,460; A. F. Dollery, \$4,200; S. Drabble, \$2,460; C. M. Duffus, \$2,460; J. N. Duguid, \$2,880; R. H. Dunhill, \$2,460; C. A. S. Dykes, \$2,880; J. A. Eaton, \$3,000; G. Edwards, \$2,880; R. Elder, \$2,460; W. J. Eva, \$2,460; A. J. Faulkner, \$2,460; T. M. Ferguson, \$3,000; R. A. Field, \$2,460; R. E. Forrester, \$2,880; J. Forsyth, \$3,000; H. F. Fowler, \$2,880; P. Fraser, \$3,000; B. Freestone, \$2,400; G. R. Gage, \$2,880; M. R. Gardiner, \$2,460; H. C. George, \$2,880; R. Gibbon, \$2,460; A. H. Gibbons, \$2,880; F. C. Gilliam, \$2,460; R. L. Glaister, \$2,460; J. Glenn, \$2,880; F. Godsalue, \$2,460; H. J. Good, \$2,400; W. R. Goodfellow, \$2,880; E. Gordon, \$3,000; W. T. Gough, \$2,460; C. H. Gowe, \$2,460; I. P. Graham, \$2,460; G. R. Green, \$2,880; R. D. Green, \$2,460; S. H. Green, \$2,460; G. W. Gunby, \$2,880; C. Hamilton, \$3,000; H. L. Harper, \$2,880; J. Hasell, \$2,460; S. J. Hawes, \$2,460; F. W. Hester, \$2,580; J. H. Hodgkinson, \$2,880; A. E. Holland, \$2,880; T. F. Hounslow, \$2,460; E. C. Howes, \$2,880; E. M. Hueston, \$2,460; A. S. Humphrey, \$2,460; S. G. Humphrey, \$2,460; J. C. Hunter, \$2,460; W. Hutchinson, \$2,460; C. A. Insley, \$3,000;

T. E. Irons, \$3,000; C. E. Isaacs, \$2,460; E. L. Jaffray, \$3,000; H. E. James, \$2,400; T. J. Jewett, \$2,460; H. E. Johnson, \$2,880; W. Kerr, \$2,880; C. J. Lacey, \$2,460; E. H. Lacey, \$2,760; R. G. A. Lang, \$2,460; W. J. Lawson, \$3,240; S. Leask, \$2,880; E. L. Leitch, \$2,880; A. Linster, \$2,880; W. Lyons, \$3,000; A. Macdonald, \$2,880; D. Macdonald, \$2,460; N. Macdonald, \$2,880; H. A. Macdonnell, \$2,880; D. Macdougall, \$2,460; J. H. MacGarva, \$2,460; J. MacGoldrick, \$2,880; A. MacLennan, \$2,880; A. C. Macnab, \$2,460; J. Main, \$2,460; M. Mallon, \$3,000; C. R. Manahan, \$4,000; J. J. Manson, \$2,460; P. J. Marples, \$3,900, also \$660 from Vote 347; C. E. Matheson, \$2,460; J. W. Matheson, \$2,400; S. G. May, \$2,460; J. McAnsh, \$2,400 (Oct. 11. See also Vote 353); H. McArthur, \$2,880; W. A. McBeath, \$3,000; M. McCallum, \$2,460; H. J. McConnell, \$2,460; W. J. McCracken, \$3,000; A. I. McFarlane, \$2,880; G. R. McGeagh, \$3,000; W. McKay, \$3,000; H. C. McKeown, \$2,460; D. McLennan, \$2,880; J. L. McLennan, \$2,460; W. McLennan, \$2,880; A. V. McMath, \$2,400; D. C. Menzies, \$2,460; W. Millar, \$3,000; A. Miller, \$3,900; T. A. Miller, \$3,000; A. Mills, \$2,460; G. C. Mitchell, \$2,460 (Nov. 5); H. Moore, \$2,460; D. G. Morton, \$2,460; N. Munn, \$2,880; J. R. Munro, \$3,600; A. E. Nelson, \$2,880; J. L. Ogden, \$2,460; J. O'Hagan, \$3,240; C. E. Oldale, \$2,880; D. J. O'Neill, \$2,400; T. O'Neill, \$2,880; A. T. Owen, \$2,460; E. Parisien, \$3,000; J. S. Parker, \$2,580; W. H. Parsons, \$2,460; J. Paxton, \$2,880; S. D. Penfold, \$3,000; J. Pike, \$3,240; J. Pilling, \$2,460; J. Pollock, \$2,880; A. Preston, \$2,880; W. Preston, \$2,460; A. Priscott, \$3,000; F. Pyatt, \$2,880; G. E. Pyett, \$2,880; G. P. Radmore, \$2,880; F. T. Reader, \$3,240; H. H. Reimer, \$2,460; G. W. Richardson, \$3,000; F. G. Ritchie, \$3,000; S. J. K. Robb, \$2,880; C. E. S. Robertson, \$2,880; C. Rosie, \$2,880; D. Ross, \$2,880; D. E. Ross, \$2,880; J. A. Ross, \$3,960; P. E. Saunders, \$2,460; W. J. Scott, \$2,460; S. T. Sellick, \$2,460; W. F. Shapton, \$2,460; C. Sheppard, \$2,880; A. Simmons, \$2,880; W. Simpson, \$2,460; H. H. Slater, \$2,880; G. H. Smith, \$2,880; P. J. Smith, \$3,000; W. T. Sparks, \$2,460; W. Spencer, \$2,460; C. F. Spittle, \$3,000; F. G. Stevens, \$2,460; P. C. Stewart, \$2,460; W. J. Storey, \$3,000; W. Sutherland, \$2,400; W. Taft, \$3,780; H. Temple, \$2,880; R. J. Temple, \$2,460; H. A. Thomas, \$3,000; C. W. Thompson, \$2,460 (Nov. 14); S. G. Thompson, \$3,240; W. Thornber, \$3,240; G. H. Timbers, \$2,880; W. T. Todd, \$3,960; E. A. Ursell, \$3,600; C. W. Vigers, \$2,460 (Oct. 4); D. Walker, \$2,460; F. Warren, \$2,460; J. Watson, \$4,000; W. C. Wells, \$2,460; G. G. White, \$2,400; H. G. White, \$3,240; W. R. Whitehurst, \$2,880; J. Wight, \$2,460; P. Wilcock, \$2,460; B. Wilkinson, \$2,460; J. H. Wilson, \$2,460; W. J. Wilson, \$3,000; G. H. Winn, \$2,460; G. Wood, \$2,460; T. H. Wren, \$2,880; F. Wright, \$2,880; J. T. Wright, \$3,000.

F G Payments of \$5,000 or over were: British Pacific Building, \$6,990; Fort William Commercial Chambers, \$18,313.56; King's Printer, Ottawa, \$14,191.35; Traders Building Association, \$27,627.96.

I Travelling expense payments over \$300 were: E. H. Alexander, \$452.36; J. A. Anderson, \$400.95; L. Belanger, \$496.03; J. F. Britten, \$369.98; G. W. Carl, \$400.57; G. Caron, \$604.54; LeRoy Coleman, \$471.94; W. H. Comba, \$691.62; F. G. Crowe, \$461.60; A. E. Denman, \$744.78; F. M. Douglas, \$416.35; C. A. S. Dykes, \$404.18; J. Forsyth, \$955.99; F. C. Gilliam, \$395.29; J. Glover, \$442.99; W. T. Gough, \$1,060.67; C. W. Hammond, \$579.86; G. C. Hutcheson, \$560.50; T. E. Irons, \$580.48; C. E. Isaacs, \$378.23; C. Lea, \$441.97; F. S. Ludlam, \$304.14; R. B. Mains, \$558.76; J. J. Manson, \$403.33; D. G. Macdougall, \$376.63; A. Mills, \$425.35; Q. C. Moffat, \$339.69; T. O'Neill, \$327.56; W. R. Reid, \$666.23; H. Reimer, \$496.85; S. Robb, \$449.98; H. Schofield, \$492.71; W. Simpson, \$625.65; F. Slater, \$428.92; B. N. Smallman, \$1,600.59; W. T. Sparks, \$379.47; P. C. Stewart, \$361.53; H. S. Weaver, \$639.80; R. Welsh, \$375.62; H. G. White, \$313.60; W. A. Williamson, \$369.09; D. W. Wozencroft, \$551.77.

Vote 351 Canada Grain Act—Canadian Government Elevators including

equipment 374,702 00

Expenditures 307,315 68

Lapsed \$ 67,386 32

	Estimates details	Allotments authorized	Expenditures
A Salaries	222,570 00	222,570 00	219,675 07
B Telegrams, telephones and postage	2,500 00	2,500 00	1,711 80
C Equipment	45,200 00	45,200 00	29,382 77
D Lands, buildings and works	25,500 00	25,500 00	3,256 56
E Miscellaneous current expenses	57,632 00	57,632 00	40,329 44
F Rents	6,800 00	6,800 00	6,307 28
G Supplies	8,000 00	8,000 00	5,171 69
H Freight, express and cartage	500 00	500 00	126 67
I Travelling expenses	4,000 00	4,000 00	1,354 40
J Purchase of screenings	2,000 00	2,000 00	
	<u>\$ 374,702 00</u>	<u>\$ 374,702 00</u>	<u>\$ 307,315 68</u>

Comments on Expenditures

A As of March 31, 1942, there were 66 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): R. Hetherington, general manager, \$6,000; W. Ansell, \$2,400; A. Apperley, \$2,700; F. A. Bowell, \$2,940; G. J. P. Brohman, \$2,400; R. B. Dahl, \$2,520; G. R. Eltherington, \$3,300 (Nov. 24); T. E. Guest, \$2,400 (Sept. 1); T. W. McCann, \$2,700; J. S. McMaster, \$2,700; W. J. McMullen, \$3,000; M. McRitchie, \$4,000; E. C. Millar, \$2,800; G. E. North, \$2,400; J. Pickering, \$3,420; R. Seddon, \$4,000.

C E Payments over \$5,000 were: Canadian Westinghouse Co., \$5,566.08; Edmonton City, \$8,942.22; National Light & Power Co., Moose Jaw, \$5,065.45; Saskatoon City, \$6,474.

I Travelling expenses over \$300; R. Hetherington, \$829.60.

General: Expenditure by elevators was as follows: Calgary, \$54,173.02; Edmonton, \$61,111.14; Lethbridge, \$36,583.69; Moose Jaw, \$44,440.39; Port Arthur, \$10,798.81; Prince Rupert, \$26,418.39; Saskatoon, \$52,045; General Account, \$21,745.24.

<i>Vote 352 Dominion Bureau of Statistics—Administration</i>	<i>78,990 00</i>
<i>Vote *420 Cost of Living Bonus</i>	<i>4,100 00</i>

83,090 00

Expenditures **83,059 92**

Lapsed **\$ 30 08**

	Estimates details	Allotments authorized	Expenditures
A Salaries	73,140 00	77,324 83	77,324 83
B Telegrams, telephones and postage	100 00	100 00	100 00
C Local transportation	350 00	350 00	350 90
D Freight, express, cartage	1,900 00	2,260 00	2,258 22
E Travelling expenses	500 00	255 17	237 96
F Printing and stationery	2,000 00	2,000 00	1,999 78
G Sundries	1,000 00	800 00	789 13
	<u>\$ 78,990 00</u>	<u>\$ 83,090 00</u>	<u>\$ 83,059 92</u>

Comments on Expenditures

A As of March 31, 1942, there were 47 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: R. H. Coats, Dominion statistician, \$7,500; L. J. Beehler, \$2,640; H. P. Howell, \$2,400; G. Kehoe, \$2,760; J. Muir, \$3,000.

F These payments were made to the King's Printer.

* Supplementary Vote.

Vote 353	Dominion Bureau of Statistics—Statistics	934,520 00
Vote 107	Amount transferred from the Department of Labour.....	15,000 00
Vote *420	Cost of Living Bonus	17,794 99

Expenditures **967,314 99**

Lapsed **\$ 12,570 04**

	Estimates details	Allotments authorized	Expenditures
A Salaries	655,790 00	688,584 99	688,584 99
B Telegrams, telephones and postage	5,700 00	4,400 00	3,954 36
C Equipment, maintenance and repairs	3,300 00	5,300 00	5,279 13
D Vital statistics fees	18,500 00	19,800 00	19,771 12
E Criminal statistics fees	15,500 00	17,500 00	17,493 91
F Printing and stationery	83,130 00	79,630 00	75,360 46
G Photographic supplies	1,000 00	2,000 00	1,798 63
H Educational supplies	10,000 00	10,000 00	9,598 54
I Travelling expenses	12,600 00	12,600 00	11,779 82
J Printing of publications	85,000 00	85,000 00	79,132 99
K Rental of equipment	39,000 00	42,500 00	41,991 00
L Sundries	5,000 00		
	\$ 934,520 00	\$ 967,314 99	\$ 954,744 95

Comments on Expenditures

A As of March 31, 1942, there were 468 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): S. A. Cudmore, assistant Dominion statistician, \$4,980; R. G. Bangs, \$2,760; C. D. Blyth, \$2,640; A. H. Bogue, \$2,400; H. Boyd, \$2,760; J. C. Brady, \$2,760; P. A. Brown, \$2,400; A. Cohen, \$3,240; P. J. Connolly, \$2,400 (Oct. 1); G. A. Dehler, \$3,000; W. A. Deslauriers, \$3,360; W. Dougan, \$3,240; P. H. Ferguson, \$2,400; J. K. Finlayson, \$2,400; J. L. Forsyth, \$2,880; C. R. Good, \$2,400; H. F. Greenway, \$3,720; C. A. Hall, \$2,400; B. R. Hayden, \$2,760; F. W. Hughes, \$2,520; L. A. Kane, \$3,840; W. H. Lanceley, \$2,640; R. G. Lewis, \$3,720; W. H. Losee, \$3,720; J. H. Lowther, \$3,720; R. R. Marcil, \$2,400; H. Marshall, \$4,200; J. T. Marshall, \$4,200; J. McAnsh, \$3,360; I. S. McArthur, \$2,880; R. J. McDowall, \$3,240; N. L. McKellar, \$3,000; H. McLeod, \$3,240; W. Millar, \$2,640; A. E. Millward, \$3,360; J. R. Munro, \$3,720; G. W. Perrier, \$2,400; L. J. Pouliot, \$2,640; J. E. Robbins, \$3,240; M. E. K. Roughsedge, \$2,640; J. B. Rutherford, \$3,360 (on military leave from June 28); S. B. Smith, \$3,720; A. C. Steedman, \$2,760; E. C. West, \$2,400; C. F. Wilson, \$4,020; W. F. Wilson, \$2,400; G. S. Wrong, \$4,200.

Under authority of P.C. 73/4937 of July 9, 1941, an amount of \$15,000 was transferred from the Labour Department.

D Payments were made to the provinces as follows: Prince Edward Island, \$158.76; Nova Scotia, \$1,213.76; New Brunswick, \$919.96; Quebec, \$6,408.12; Ontario, \$6,282.48; Manitoba, \$1,205.56; Saskatchewan, \$1,202.80; Alberta, \$1,022.56; British Columbia, \$1,357.12.

F J These payments were made to the King's Printer.

H Subscriptions to newspapers, publications and other requirements for statistical purposes.

I Travelling expense payments of \$300 or over were: C. A. Hall, \$1,686.60; R. Lafleur, \$3,720.03; J. H. Lowther, \$1,495.04; J. Ricard, \$1,122.08; N. F. Sherman, \$936; G. Thomas, \$1,139.14; C. F. Wilson, \$549.82.

C K The International Business Machines, Toronto, was paid \$41,961.99.

* Supplementary vote.

AUDITOR GENERAL'S REPORT

<i>Vote 354 Dominion Bureau of Statistics—Census of population</i>	<i>2,886,350 00</i>
<i>Expenditures</i>	<i>2,614,666 49</i>
<i>Lapsed</i>	<i>\$ 271,683 51</i>

	Estimates details	Allotments authorized	Expenditures
A Salaries	103,350 00	103,350 00	101,028 79
B Equipment, maintenance and repairs	15,000 00	15,000 00	14,389 12
C Photographic supplies	3,000 00	3,000 00	2,147 52
D Census reports	15,000 00	15,000 00	13,027 46
E Expenses in connection with taking the 1941 census	2,750,000 00	2,750,000 00	2,484,073 60
	<u>\$2,886,350 00</u>	<u>\$2,886,350 00</u>	<u>\$2,614,666 49</u>

Comments on Expenditures

A As of March 31, 1942, there were 1,229 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: A. J. Pelletier, chief, division of demography, \$4,620; F. Belisle, \$2,700; O. A. Lemieux, \$3,600; A. H. Leneveu, \$3,000; A. Moellman, \$2,400; A. L. Neal, \$4,020; A. E. Thornton, \$3,000.

B An amount of \$10,800 was paid to F. Belisle and J. T. Richard for royalties on tabulating machines.

C D Payments totalling \$13,606.05 were made to the King's Printer.

E Payments in excess of \$5,000 were: King's Printer, Ottawa, \$103,928.64; International Business Machines, Toronto, \$13,586.09; Cockfield Brown & Co., Montreal, \$24,910.72.

Travelling expenses over \$300: O. A. Lemieux, \$644.53; A. J. Pelletier, \$887.77.

A summarized statement showing the expenses by districts follows. Of the amount shown in the total column of the statement \$11,091.89 was paid from Vote 353 of 1942-43.

EXPENSES RE CENSUS IN VARIOUS DISTRICTS

	District Number	Commissioner's Account		Enumeration Expenses	Total
		Name	Remuneration and Expenses		
			\$	cts.	\$
				cts.	cts.
Prince Edward Island—					
Kings.....	1	H. Mullally.....	763	68	3,545 33
Prince.....	2	C. R. Rogers.....	932	84	5,265 33
Queens.....	3	G. R. Holmes.....	893	84	5,704 87
Nova Scotia—					
Antigonish-Guysborough.....	4	A. W. Cameron.....	1,069	99	4,183 45
Cape Breton North-Victoria.....	5	R. F. McNeil.....	826	81	4,224 07
Cape Breton South.....	6	J. A. MacIntosh.....	1,317	15	5,780 09
Colchester-Hants.....	7	A. A. Kirkpatrick.....	1,363	01	7,246 85
Cumberland.....	8	R. F. McCunn.....	873	84	4,719 27
Digby-Annapolis-Kings.....	9	E. McL. Blaikie.....	1,346	91	9,498 30
Halifax City and County.....	10	A. J. Meagher.....	2,026	78	9,984 38
Inverness-Richmond.....	11	D. J. MacLeod.....	1,236	64	5,848 58
Pictou.....	12	M. H. Harris.....	993	40	4,640 75
Queens-Lunenburg.....	13	W. D. Rawding.....	1,216	55	6,385 87
Shelburne-Yarmouth-Clare.....	14	J. L. Claxton.....	1,244	32	7,602 42
New Brunswick—					
Charlotte.....	15	J. F. Worrell.....	605	69	2,817 61
Gloucester.....	16	J. A. Alain.....	1,162	75	7,576 28
Kent.....	17	L. T. Maillet.....	740	97	4,182 67
Northumberland.....	18	C. Donald.....	1,045	78	5,149 28
Restigouche-Madawaska.....	19	G. Michaud.....	1,706	57	7,488 87
Royal.....	20	A. L. Palmer.....	1,012	35	9,195 44
St. John-Albert.....	21	T. E. O'Leary.....	1,507	55	5,596 61
Victoria-Carleton.....	22	W. E. McCluskey.....	1,032	76	6,533 49
Westmorland.....	23	E. O. McSweeney.....	1,298	16	5,514 86
York-Sunbury.....	24	A. B. Belyea.....	1,153	32	7,005 28
					8,303 44
					7,044 87

EXPENSES RE CENSUS IN VARIOUS DISTRICTS—Continued

District Number	Commissioner's Account	Enumeration Expenses		Total	
		Name	Remuneration and Expenses	\$	cts.
Quebec—					
Argenteuil.....	25	P. Valois.....	593 49	3,013 70	3,607 19
Beauce.....	26	R. Marcotte.....	1,298 61	8,530 05	9,828 66
Beauharnois-Laprairie.....	27	J. D'Amour.....	1,017 18	5,081 60	6,098 78
Bellechasse.....	28	J. C. Moreau.....	826 76	4,980 28	5,807 04
Berthier-Maskinonge.....	29	A. Rouleau.....	1,134 82	6,194 66	7,329 48
Bonaventure.....	30	T. Lavoie.....	1,261 62	7,143 91	8,405 53
Brome-Missisquoi.....	31	K. A. Mizener.....	959 95	4,532 46	5,492 41
Chamblay-Rouville.....	32	C. Patenaude.....	1,046 06	5,323 72	6,369 78
Champlain.....	33	A. Beaulieu.....	1,009 12	5,041 40	6,050 52
Chapleau.....	34	E. Montanbault.....	1,516 79	8,317 40	9,834 19
Charlevoix-Saguenay.....	35A	E. Gaudreault.....	1,344 86	5,176 28	6,521 14
Charlevoix-Saguenay.....	35B	J. F. Fortin.....	1,680 27	4,894 00	6,574 27
Chateauguay-Huntingdon.....	36	T. T. Gebbie.....	735 81	3,885 82	4,571 63
Chicoutimi.....	37	L. G. Gauthier.....	2,128 77	8,306 62	10,435 39
Compton.....	38	L. P. Cliche.....	1,079 58	5,308 32	6,387 90
Dorchester.....	39	J. H. Labrecque.....	813 03	4,690 38	5,503 41
Drummond-Arthabaska.....	40	J. Massicotte.....	1,334 61	8,151 60	9,486 21
Gaspe North.....	41A	L. M. Keable.....	901 99	4,160 22	5,062 21
Gaspe South and Magdalen Islands.....	41B	T. Pidgeon.....	1,363 33	5,102 53	6,465 86
Hull.....	42	P. Boivin.....	1,158 75	4,113 79	5,272 54
Joliette-L'Assomption-Montcalm.....	43	G. Denis.....	1,603 84	8,456 76	10,060 60
Kamouraska.....	44	L. A. Dupuis.....	1,909 78	4,959 59	5,869 37
Labelle.....	45	W. Lalonde.....	1,296 99	6,358 09	7,655 08
Lac St. Jean-Roberval.....	46	J. E. Otis.....	1,786 52	8,136 17	9,922 69
Laval-Deux-Montagnes.....	47	H. Langlois.....	852 61	5,454 04	6,306 65
Levis.....	48	T. Lambert.....	660 33	2,451 42	3,111 75
Lotbiniere.....	49	N. E. Demers.....	1,154 87	7,154 00	8,308 87
Matapedia.....	50A	M. D. Rioux.....	674 46	3,937 75	4,612 21
Matane.....	50B	C. A. Beaulieu.....	680 02	3,185 36	3,865 38
Megantic-Frontenac.....	51	A. Dostie.....	1,150 12	6,051 43	7,201 55
Montmagny-L'Islet.....	52	L. Pelletier.....	895 25	5,058 57	5,953 82
Nicolet-Yamaska.....	53	A. Boucher.....	1,017 48	6,046 30	7,063 78

54A Pontiac-Temisamingue Division.....	L. Keon.....	729 89	3,554 57
54B Pontiac-Northern part.....	A. Dupuis.....	741 33	3,720 07
54C Portneuf.....	J. L. Baillargeon.....	1,169 38	4,461 40
55 Quebec East.....	F. Dubois.....	1,103 69	6,073 89
56 Quebec South.....	E. Godbout.....	1,168 27	5,585 74
57 Quebec W.O.....	L. H. Egan.....	713 84	6,689 43
58 Quebec-Montmorency.....	L. Paradis.....	826 83	5,134 51
59 Richelieu-Verchères.....	A. P. Robitaille.....	1,259 77	2,958 80
60 Richmond-Wolfe.....	O. Cousineau.....	843 51	3,663 29
61 Rimouski.....	G. Desmarais.....	1,025 04	6,945 08
62 St. Hyacinthe-Bagot.....	A. Gendreau.....	1,395 62	5,486 59
63 St. Jean-Iberville-Napierville.....	N. Godbout.....	1,048 74	7,175 76
64 St. Maurice-Lafleche.....	M. J. Demers.....	931 26	7,047 19
65 Sheffield.....	L. Pinsonnault.....	1,144 37	5,795 03
66 Sherbrooke.....	G. Hivon.....	824 66	4,619 83
67 Stanstead.....	A. Trudeau.....	916 42	5,572 17
68 Temiscouata.....	H. I. McFadden.....	672 13	3,841 18
69 Terrebonne.....	M. B. Fournier.....	949 23	4,665 84
70 Trois-Rivières.....	A. Forget.....	1,196 05	4,716 38
71 Vaudeuil-Soulanges.....	M. Laurin.....	973 27	3,540 31
72 Wright.....	L. Leger.....	696 13	8,379 75
73 Cartier.....	L. Latour.....	926 31	5,681 41
74 Hochelaga.....	M. Salomon.....	1,126 62	6,630 64
75 Jacques-Cartier.....	A. Côté.....	1,285 56	5,102 06
76 Laurier.....	J. E. Fugère.....	1,108 07	3,823 37
77 Maisonneuve-Rosemont.....	J. E. LeFrancis.....	1,284 94	4,367 25
78 Mercier.....	J. E. Forté.....	1,121 62	3,873 30
79 Mont-Royal.....	C. E. Hemond.....	1,741 46	6,334 45
80 Outremont.....	J. Woodcock.....	1,206 55	5,481 89
81 Ste. Anne.....	P. Gagnon.....	1,622 26	5,168 69
82 St. Antoine-Westmount.....	W. J. McQuillan.....	780 39	7,121 86
83 St. Denis.....	E. C. McCrory.....	1,011 51	6,111 51
84 St. Henri.....	O. Mongrain.....	1,609 02	4,992 09
85 St. Jacques.....	W. A. Durand.....	1,275 52	3,081 18
86 St. Laurent-St. Georges.....	E. Robillard.....	1,751 76	4,123 57
87 Ste. Marie.....	J. C. Lafoley.....	841 83	6,568 22
88 Verdun.....	I. J. Deslauriers.....	1,363 22	5,933 16
89 W. Lessard.....	W. Lessard.....	1,403 33	7,382 05
90 Ontario—	W. W. Anglin.....	1,234 50	3,527 08
91 Algoma East.....	E. Leacock.....	1,845 83	6,186 24
92 Brant.....	R. H. Allen.....	596 37	5,699 09
93 Brantford City.....	A. J. Hemingray.....	677 72	5,997 58
			5,571 26
			3,698 21
			3,328 27

EXPENSES RE CENSUS IN VARIOUS DISTRICTS—Continued

	District Number	Commissioner's Account		Enumeration Expenses		Total	
		Name	Remuneration and Expenses	\$	cts.		
Ontario—Concluded				\$	cts.	\$	cts.
Bruce.....	94	A. G. McKay.....	966 62	4,611 13	5,577 75		
Carleton.....	95	G. Richtie.....	931 19	5,319 57	6,250 76		
Cochrane.....	96	J. D. McKay.....	1,836 09	11,191 65	13,027 74		
Dufferin-Simcoe.....	97	J. D. Bowerman.....	963 27	4,865 55	5,828 82		
Durham.....	98	R. B. Baxter.....	691 66	3,738 58	4,430 24		
Elgin.....	99	F. Palmer.....	1,047 47	5,903 70	6,951 17		
Essex East.....	100	F. Hoolihan.....	1,066 54	5,345 10	6,411 64		
Essex South.....	101	R. A. Salmoni.....	893 81	5,166 26	6,060 07		
Essex West.....	102	D. F. Brown.....	1,328 33	5,446 02	6,774 35		
Fort William.....	103	C. W. Wilson.....	1,406 64	4,628 25	6,034 89		
Frontenac-Addington.....	104	A. N. McCallum.....	916 85	4,839 20	5,756 05		
Glengarry.....	105	E. MacDonald.....	678 95	2,986 05	3,665 00		
Grenville-Dundas.....	106	D. J. Laushway.....	961 33	5,037 70	5,999 03		
Grey-Bruce.....	107	J. A. McArthur.....	964 98	5,218 18	6,183 16		
Grey North.....	108	H. H. Boyes.....	924 38	4,988 00	5,912 38		
Haldimand.....	109	P. A. Gloyd.....	683 53	3,137 33	3,820 86		
Halton.....	110	K. C. Lindsay.....	742 86	3,679 75	4,422 61		
Hamilton East.....	111	W. D. MacKay.....	1,080 26	4,059 44	5,139 70		
Hamilton West.....	112	A. Marek.....	1,101 00	3,602 51	4,703 51		
Hastings-Peterborough.....	113	R. Bristol.....	840 61	4,332 39	5,173 00		
Hastings South.....	114	R. Vandewater.....	932 63	4,339 68	5,272 31		
Huron North.....	115	H. C. MacLean.....	762 67	4,023 71	4,786 38		
Huron-Perth.....	116	C. V. Pickard.....	729 22	4,162 15	4,891 37		
Kenora-Rainy River.....	117	K. C. Grimshaw.....	1,736 79	9,471 50	11,208 29		
Kent.....	118	A. L. Thompson.....	1,222 32	7,156 05	8,378 37		
Kingston City.....	119	J. O. McDonell.....	617 46	1,993 14	2,610 60		
Lambton-Kent.....	120	M. R. McCallum.....	879 65	5,206 66	6,086 31		
Lambton West.....	121	S. M. Miller.....	764 03	3,918 24	4,682 27		
Lanark.....	122	G. W. Buchanan.....	855 55	4,078 61	4,934 16		
Leeds.....	123	C. W. Earle.....	789 72	4,512 17	5,301 89		
Lincoln.....	124	F. A. Beattie.....	1,251 10	7,249 70	8,500 80		
London.....	125	F. McLachlin.....	956 90	4,162 38	5,119 28		
Middlesex East.....	126	W. Pillsworth.....	964 81	5,256 67	6,221 48		

Muskoka.....	122	N. Mercur.....	728 66	4,350 58	5,079 24
Nipissing.....	128	N. Alexander.....	1,125 89	5,188 87	6,314 76
Norfolk.....	129	A. Desautels.....	2,972 84	12,731 96	15,704 80
Norumberland.....	130	J. Crabb.....	956 34	5,402 09	6,858 43
Ontario.....	131	J. F. R. Douglas.....	818 22	4,524 81	5,843 03
Ottawa East.....	132	G. L. Edmunds.....	1,019 61	5,382 96	6,402 57
Ottawa West.....	133	J. A. Lemieux.....	1,063 92	3,628 97	4,692 89
Oxford.....	134	A. W. Grant.....	1,312 05	5,531 56	6,843 61
Parry Sound.....	135	H. B. Atkinson.....	1,077 52	6,569 58	7,647 10
Peel.....	136	E. W. Young.....	934 62	4,638 52	5,573 14
Peterborough.....	137	G. L. M. Kirkwood.....	738 54	4,377 13	5,115 67
Peterborough West.....	138	G. J. Graff.....	1,011 55	5,731 06	6,742 61
Port Arthur.....	139	A. J. McLellan.....	885 37	4,025 04	4,910 41
Prescott.....	140	A. E. Thom.....	1,635 17	6,952 11	8,587 28
Prince Edward-Lennox.....	141	F. A. Senecal.....	719 43	3,407 83	4,127 26
Renfrew.....	142	H. Weese.....	861 33	4,661 41	5,522 74
Renfrew South.....	143	R. S. Graham.....	883 99	4,283 76	5,167 75
Russell.....	144	H. A. Jordan.....	776 56	3,433 70	4,210 26
Simcoe East.....	145	O. Maheu.....	754 41	4,341 86	5,096 27
Simcoe North.....	146	W. A. Robinson.....	858 66	3,768 69	4,627 35
Stormont.....	147	J. R. Lawrence.....	757 79	3,862 71	4,620 50
Timiskaming.....	148	W. Gallinger.....	966 83	4,852 31	5,819 14
Victoria.....	149	B. G. Trivett.....	1,714 77	6,993 30	8,708 07
Waterloo North.....	150	C. E. Williams.....	1,160 85	4,844 66	5,807 20
Waterloo South.....	151	J. E. Wagner.....	962 54	5,134 04	6,314 89
Welland.....	152	J. N. Courtney.....	1,559 66	3,628 61	4,460 97
Wellington North.....	153	W. Steed.....	832 36	8,753 84	10,313 50
Wellington South.....	154	A. Darroch.....	784 13	3,975 50	4,759 63
Wentworth.....	155	W. H. Beattie.....	744 51	3,607 91	4,352 42
York East.....	156	R. A. Thompson.....	1,535 19	8,014 47	9,549 66
York North.....	157	J. A. Thomas.....	1,511 65	10,995 28	12,506 93
York South.....	158	E. A. Bonnick.....	985 06	6,463 02	7,448 08
York West.....	159	F. T. Knight.....	1,192 35	7,829 60	9,021 95
Broadview.....	160	C. E. Ring.....	1,260 22	5,937 95	7,198 17
Danforth.....	161	G. Gresswell.....	1,076 23	3,634 73	4,710 96
Davenport.....	162	W. Riley.....	888,48	2,620 22	3,508 70
Eglington.....	163	R. A. Robinson.....	1,023 86	3,648 95	4,672 81
Greenwood.....	164	C. E. Putman.....	1,251 43	4,681 21	5,932 64
High Park.....	165	T. E. Reilly.....	1,035 81	3,585 31	4,621 12
Parkdale.....	166	J. G. Culnan.....	987 55	3,106 32	4,093 87
Rosedale.....	167	J. P. Travers.....	977 02	3,226 10	4,203 12
St. Pauls.....	168	J. L. Shannon.....	1,062 34	3,568 75	4,631 09
Spadina.....	169	J. H. Rooney.....	1,270 74	4,449 09	5,719 83
Trinity.....	170	J. Kinsella.....	1,303 14	5,355 53	6,658 67
	171	L. J. Zuker.....	1,056 48	3,803 57	4,860 05

EXPENSES RE CENSUS IN VARIOUS DISTRICTS—Continued

District Number	Commissioner's Account		Total
	Name	Remuneration and Expenses	Enumeration Expenses
		\$ cts.	\$ cts.
Manitoba—			
172	Brandon.....	835 38	4,802 35
173A	Churchill South.....	714 21	3,333 33
173B	Churchill North.....	552 44	2,528 53
174	Dauphin.....	1,090 85	7,639 93
175	Lisgar.....	792 38	5,463 33
176	Macdonald.....	902 65	6,255 71
177	Marquette.....	980 05	6,936 00
178	Neepawa.....	946 81	7,601 52
179	Portage la Prairie.....	770 65	6,046 03
180	Provencher.....	1,142 43	4,667 23
181	St. Boniface.....	754 06	7,661 22
182	Selkirk.....	1,457 37	3,975 91
183	Souris.....	705 59	10,869 23
184	Springfield.....	1,321 33	4,327 24
185	Winnipeg North.....	1,227 31	8,946 18
186	Winnipeg North Centre.....	1,123 42	4,767 54
187	Winnipeg South.....	1,032 16	4,130 26
188	Winnipeg South Centre.....	1,248 97	4,749 31
Saskatchewan—			
189	Assiniboia.....	850 80	5,307 12
190	Humboldt.....	1,191 54	6,380 86
191	Kindersley.....	1,053 80	8,538 57
192	Lake Centre.....	1,091 78	7,072 38
193	Mackenzie.....	1,590 91	8,126 18
194	Maple Creek.....	1,134 45	7,181 71
195	Melfort.....	1,537 95	11,572 06
196	Melville.....	1,228 99	8,218 55
197	Moose Jaw.....	1,066 92	11,213 63
198	North Battleford.....	1,697 97	8,916 78
199	Prince Albert.....	1,208 28	12,927 59
200	Qu'Appelle.....	977 26	5,447 56
201	Régina City.....	959 64	6,514 48
202	Rosetown-Biggar.....	1,081 00	14,625 56
203	Rosthern.....	1,061 06	7,300 88
			8,509 16
			7,301 81
			4,577 56
			7,921 24
			8,967 38

Saskatchewan—Concluded

Saskatoon City.....	204	H. G. H. Gilding.....	943 24	3,526 65	4,469 89
Swift Current.....	205	F. J. Diekson.....	1,249 00	8,222 03	9,471 03
The Battlefords.....	206	R. E. Nay.....	1,322 31	7,919 16	9,241 47
Weyburn.....	207	D. J. Mitchell.....	1,165 23	7,439 84	8,605 07
Wood Mountain.....	208	G. H. Stephenson.....	1,200 30	7,774 11	8,974 41
Yorkton.....	209	S. Saper.....	1,321 57	9,118 60	10,440 17
Alberta—					
Acadia.....	210	W. G. Anderson.....	1,061 49	6,983 73	8,045 22
Athabaska.....	211	C. A. Roultson.....	1,698 27	11,116 94	12,815 21
Battle River.....	212	J. A. MacKenzie.....	1,227 35	8,443 03	9,670 38
Bow River.....	213	A. B. Claypool.....	1,024 51	6,000 16	7,024 67
Calgary East.....	214	F. Watson.....	896 49	3,999 06	4,895 55
Calgary West.....	215	S. P. Barth.....	884 31	4,041 61	4,925 92
Camrose.....	216	C. H. Magee.....	1,221 16	8,319 34	9,540 50
Edmonton East.....	217	E. M. Smith.....	1,090 94	3,709 69	4,800 63
Edmonton West.....	218	J. Driscoll.....	891 18	4,004 83	4,896 01
Jasper-Edson.....	219	T. J. Meeklen.....	1,824 41	13,069 77	14,894 18
Lethbridge.....	220	W. M. Harris.....	1,093 04	6,740 11	7,833 15
Macleod.....	221	N. Nicholson.....	1,356 09	8,262 62	9,618 71
Medicine Hat.....	222	W. D. Gow.....	1,279 63	8,102 74	9,382 37
Peace River.....	223	P. J. Demers.....	1,661 77	12,105 24	13,767 01
Red Deer.....	224	D. C. Bury.....	1,374 17	9,476 80	10,850 97
Vegreville.....	225	J. Decore.....	1,331 44	9,532 08	10,863 52
Wetaskiwin.....	226	A. P. Mitchell.....	1,217 69	10,533 84	11,751 53
British Columbia—					
Cariboo.....	227	H. B. King.....	2,180 39	18,063 38	20,243 77
Comox-Alberni.....	228A	W. E. Mantle.....	932 44	7,370 29	8,302 73
Comox-Alberni.....	228B	C. H. Tiftord.....	886 64	4,005 89	4,842 53
Fraser Valley.....	229	E. J. Lockwood.....	1,717 57	8,127 50	9,845 07
Kamloops.....	230	W. Brennan.....	1,359 74	4,528 33	5,888 07
Kootenay East.....	231	A. Walde.....	1,466 49	5,576 43	7,042 92
Kootenay West.....	232	J. E. Gordon.....	1,663 44	6,416 27	8,079 71
Nanaimo.....	233	G. L. Buckham.....	1,230 72	9,381 66	10,612 38
New Westminster.....	234	J. J. Johnston.....	1,544 93	12,501 61	14,046 54
Skeena.....	235	P. H. Linzey.....	2,097 78	14,042 33	16,140 11
Vancouver-Burrard.....	236	A. H. Fraser.....	1,134 72	4,108 60	5,243 32
Vancouver-Centre.....	237	R. M. Edgar.....	1,025 40	4,888 21	5,913 61
Vancouver-East.....	238	J. Mulgrew.....	1,192 30	4,519 62	5,711 92
Vancouver-North.....	239	E. MacLeod.....	1,484 82	9,734 98	11,219 80
Vancouver-South.....	240	C. Killam.....	1,297 83	5,224 03	6,521 86
Victoria.....	241	H. E. A. Courtenay.....	910 81	5,147 97	6,058 78
Yale.....	242	W. A. Cryderman.....	2,468 26	11,955 07	14,423 33
Totals.....			278,658 32	1,431,070 03	1,709 728 35

AUDITOR GENERAL'S REPORT

Vote 355 Exhibitions and Publicity—Exhibitions	112,900 00
Expenditures	84,356 49
Lapsed	\$ 28,543 51

	Estimates details	Allotments authorized	Expenditures
A Salaries	34,200 00	34,200 00	27,283 48
B Living allowances	3,200 00	3,200 00	
C Ottawa office, sundry expenditure	3,000 00	3,000 00	325 94
D Warehouse, St. Catharines	2,500 00	2,500 00	1,393 10
E General expenses, rental of land, rates, taxes, water, maintenance, building, freight, wages, etc.	20,000 00	20,000 00	14,943 95
F Possible participation in exhibitions abroad	50,000 00	50,000 00	40,410 02
	<u>\$ 112,900 00</u>	<u>\$ 112,900 00</u>	<u>\$ 84,356 49</u>

Comments on Expenditures

- A** As of March 31, 1942, there were 12 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. O. Turcotte, exhibition commissioner, \$4,440 (July 1); P. A. Corkery, \$2,400; F. P. Cosgrove, \$3,720; R. L. Greene, \$3,360; A. T. Seaman, \$3,720.
- E** This allotment includes sundry wages, \$5,439.42 and removal expenses of R. L. Greene, \$1,095.81 less amount previously paid, \$164.27.
- F** This item includes the following: artistic work, Gordon Hammond, Montreal, \$7,702.53; art work displays, Vincent de Vito Studios, Toronto, \$3,924.75; building display, Carl Mangold, Montreal, \$2,459.20; travelling expenses, \$6,098.05.

Vote 356 Exhibitions and Publicity—Publicity and Advertising in the United Kingdom	45,020 00
Expenditures	39,549 59
Lapsed	\$ 5,470 41

	Estimates details	Allotments authorized	Expenditures
A Salaries	12,520 00	12,520 00	12,519 96
B Living allowances	2,500 00	2,500 00	581 98
C Publicity	30,000 00	30,000 00	26,447 65
	<u>\$ 45,020 00</u>	<u>\$ 45,020 00</u>	<u>\$ 39,549 59</u>

Comments on Expenditures

- A B** As of March 31, 1942, there were 3 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: L. R. Avery, \$7,000, living allowance, Apr. 1 to July 10, \$415.32; D. G. Keith, \$3,900, living allowance, Apr. 1 to May 31, \$166.66.
- C** The following payments were included in this allotment: Canadian Gazette, \$6,162.80; Director, Imperial Institute, \$2,927.85; MacLaren Advertising Co., Toronto, \$10,555.84; removal expenses of D. G. Keith, \$1,722.34.

Vote 357	Mail Subsidies and Steamship Subventions—Administration.	9,660 00
Vote *420	Cost of Living Bonus	190 56
		<hr/>
	Expenditures	9,850 56
		9,280 97
		<hr/>
	Lapsed	\$ 569 59
		<hr/>

	Estimates details	Allotments authorized	Expenditures
A Salaries	7,740 00	7,930 56	7,930 56
B Travelling expenses, printing and sundries.	1,920 00	1,920 00	1,350 41
	<hr/>	<hr/>	<hr/>
	\$ 9,660 00	\$ 9,850 56	\$ 9,280 97
	<hr/>	<hr/>	<hr/>

Comments on Expenditures

- A As of March 31, 1942, there were 3 employees paid from this vote. One person was receiving an annual salary of over \$2,400: F. E. Bawden, director of trade routes and steamship subsidies, \$4,800.
- B The details of this expenditure follow: travelling expenses, F. E. Bawden, \$524.42; J. A. Heenan, \$53.10; printing and stationery, \$278.43; sundries, \$494.46.

Vote 358	Mail Subsidies and Steamship Subventions—Atlantic Ocean.	100,000 00
	Expenditures	nil
		<hr/>
	Lapsed	\$ 100,000 00
		<hr/>

The contractors, Elder Dempster Lines, did not make any claim for sailings between Canada and South Africa.

Vote 359	Mail Subsidies and Steamship Subventions—Pacific Ocean..	732,000 00
	Expenditures	78,746 02
		<hr/>
	Lapsed	\$ 653,253 98
		<hr/>

	Estimates details	Allotments authorized	Expenditures
A British Columbia and South Africa (North Pacific Shipping Co.)	80,000 00	80,000 00	21,746 02
B Canada, China and Japan	595,000 00	595,000 00	
C Prince Rupert, B.C. and Queen Charlotte Islands (Union Steamships Ltd.) ...	22,000 00	22,000 00	22,000 00
D Vancouver and Northern ports of British Columbia (Union Steamships, Ltd.)	15,000 00	15,000 00	15,000 00
E Victoria, Vancouver, way ports and Skagway (Canadian Pacific Railway)	10,000 00	10,000 00	10,000 00
F Victoria and West Coast Vancouver Island (Canadian Pacific Railway)	10,000 00	10,000 00	10,000 00
	<hr/>	<hr/>	<hr/>
	\$ 732,000 00	\$ 732,000 00	\$ 78,746 02
	<hr/>	<hr/>	<hr/>

Comments on Expenditures

The name of the contractor is shown above, in brackets, after each service.

* Supplementary Vote.

Vote 360	Mail Subsidies and Steamship Subventions—Local Services..	537,450 00
Vote 522	Further amount required	4,500 00

541,950 00

Expenditures 527,818 30

Lapsed \$ 14,131 70

	Estimates details	Allotments authorized	Expenditures
Baddeck and Iona (W. A. Lamond)	8,000 00	8,000 00	8,000 00
Chester and Tancook Island, winter service (S. G. Mason)	1,600 00	1,600 00	1,600 00
Grand Manan and the Mainland (Eastern Canada Coastal Steamships, Ltd.) ..	33,000 00	33,000 00	33,000 00
Halifax, Canso and Guysboro (Cabot Shipping Co., Ltd.)	9,000 00	9,000 00	5,875 00
Halifax, La Have and La Have River ports (Captain Almon Parks)	1,750 00	1,750 00	1,750 00
Halifax and Ports in Tor Bay (Nova Scotia Shippers, Ltd.)	500 00	500 00	336 53
Halifax and Ports on the West Coast of Cape Breton (A. J. Burke and Co.).....	3,000 00	3,000 00	2,567 30
Halifax, Sherbrooke and Spry Bay (Eastern Motorship Co., \$167.30; Nova Scotia Shippers, Ltd., \$1,772.21)	2,900 00	2,900 00	1,939 51
Halifax, South Cape Breton, Bras d'Or Lake ports and Bay St. Lawrence (Nova Scotia Shippers, Ltd.).....	3,000 00	3,000 00	3,000 00
Ile-aux-Coudres and Les Eboulements (A. Lajoie and J. Harvey)	1,900 00	1,900 00	1,900 00
Mulgrave, Arichat and Canso (Canso Steam- ship Co. Ltd.)	37,000 00	37,000 00	36,999 96
Mulgrave and Guysboro, calling at intermediate ports, (J. A. Young)	10,500 00	10,500 00	10,500 00
Murray Bay and North Shore, winter service (Bras d'Or Bay Navigation Co.) ..	40,000 00	40,000 00	40,000 00
Peelee Island and the Mainland (John Earl McQueen, \$875; Ralph Harris, \$4,000)	7,000 00	7,000 00	4,875 00
Pictou, Mulgrave and Cheticamp (North Bay Steamship Co. Ltd.)	11,500 00	11,500 00	11,000 00
Pictou, Souris and the Magdalen Islands (Lovat Steamship Co.)	47,500 00	47,500 00	47,500 00
Prince Edward Island and Nova Scotia (North- umberland Ferries, Ltd.)	30,000 00	30,000 00	28,000 00
Quebec, Natashquan and Harrington (Clarke Steamship Co. Ltd.)	85,000 00	85,000 00	85,000 00
Quebec or Montreal and Gaspé calling at way ports (Clarke Steamship Co., Ltd.)	60,000 00	60,000 00	60,000 00
Rimouski and Matane and points on the North Shore of the St. Lawrence (The Lower St. Lawrence Transportation Co.) ..	50,000 00	50,000 00	50,000 00
Riviere-du-Loup and Tadoussac and other North Shore ports (La Cie de Tra- verse Riviere-du-Loup Tadoussac, Ltée.	14,000 00	14,000 00	14,000 00
St. John, Bear River, Annapolis and Granville and other way ports (Eastern Canada Coastal Steamships, Ltd.)	1,500 00	1,500 00	1,500 00
St. John and Bridgetown (Bridgetown Steam- ship Co.)	800 00	800 00	475 00

DEPARTMENT OF TRADE AND COMMERCE

387

	Estimates details	Allotments authorized	Expenditures
St. John and Margaretville and other ports on the Bay of Fundy (Margaretville Steamship Co.)	2,500 00	2,500 00	2,000 00
St. John and Minas Basin ports (St. John Steamship Co.)	5,000 00	5,000 00	5,000 00
St. John and St. Andrews	3,000 00	3,000 00	
St. John, Westport and Yarmouth and other way ports (Messrs. Hugh Cann & Son, Ltd.)	10,000 00	10,000 00	10,000 00
St. John and Weymouth	1,000 00	1,000 00	
Sydney and Bay St. Lawrence calling at way ports (North Shore Steamship Co., Ltd.)	22,500 00	22,500 00	22,500 00
Sydney and Bras d'Or Lake ports and West Coast of Cape Breton and Prince Edward Island (Straits Shipping and Contracting Co.)	22,500 00	22,500 00	22,500 00
Sydney and Whycocomagh (New Bras d'Or Steamship Co.)	16,000 00	16,000 00	16,000 00
	<u>\$ 541,950 00</u>	<u>\$ 541,950 00</u>	<u>\$ 527,818 30</u>

Comments on Expenditures

The name of the contractor is shown above, in brackets, after each service.

<i>Gratuities to families of deceased employees—Civil Service Act, c. 22, Sec. 56, R.S.</i>	\$ 2,090 00
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NATIONAL RESEARCH COUNCIL

<i>Vote 361 Salaries and other expenses of the National Research Council</i>	832,635 00
<i>Expenditures</i>	824,955 49
<i>Lapsed</i>	\$ 7,679 51

	Estimates details	Allotments authorized	Expenditures
A Salaries	463,161 00	453,161 00	445,520 08
B Scholarships	35,000 00	31,438 28	31,438 23
C Grants in aid of research	200,027 00	135,027 00	135,027 00
D N.R.C. Laboratories	221,497 00	271,558 72	271,520 13
E General administration	22,950 00	32,950 00	32,950 00
F Sundries	15,000 00		
	<u>957,635 00</u>	<u>924,135 00</u>	<u>916,455 49</u>
G Outside Revenue	125,000 00	91,500 00	91,500 00
	<u>\$ 832,635 00</u>	<u>\$ 832,635 00</u>	<u>\$ 824,955 49</u>

The amounts shown as allotments authorized were approved by the National Research Council under Section 10(e) of the National Research Council Act.

Comments on Expenditures

A As of March 31, 1942, the following were receiving annual salaries of \$2,400 or over or at date of separation (shown in brackets): C. J. Mackenzie, acting president, \$12,000; G. A. Adams, \$3,060; J. D. Babbitt, \$2,700; L. W. Ball, \$2,700; B. G. Ballard, \$4,200; C. H. Bayley, \$3,300; R. Biggar, \$2,400; R. W. Boyle, \$8,000; A. Cambron, \$4,200; S. J. Cook, \$5,200; W. H. Cook, \$6,500; W. H. Courtice, \$4,140; C. W. Davis, \$2,700; S. P. Eagleson, \$5,220; G. B. Evans, \$2,400; G. S. Field, \$3,300; R. H. Field, \$4,200; W. Gallay, \$3,720; N. E. Gibbons, \$3,480; M. S. Gill, \$3,300; N. H. Grace, \$3,480; A. J. Grant, \$4,200; F. G. Green, \$4,200; J. J. Green, \$3,300; S. L. Grenzebach, \$2,760 (May 16); T. R. Griffith, \$2,580; A. C. Halferdahl, \$4,200; J. T. Henderson, \$3,300; C. Y. Hopkins, \$3,600; J. W. Hopkins, \$3,060; L. E. Howlett, \$3,300; J. S. Johnson, \$2,700; M. Katz, \$3,720; G. J. Klein, \$3,300; M. S. Kuhring, \$2,700; P. Larose, \$4,200; S. D. Lash, \$2,460 (Dec. 12); F. E. Lathe, \$8,000; G. C. Laurence, \$3,300; G. A. Ledingham, \$3,060; D. J. LeRoy, \$2,820; M. W. Lister, \$2,460 (Sept. 1); C. MacConkey, \$2,700; G. McMorran, \$2,520; J. G. Malloch, \$4,200; R. H. Manske, \$4,200; J. M. Manson, \$3,180; L. Marion, \$3,300; S. J. Murphy, \$3,300; C. D. Niven, \$3,720; J. H. Parkin, \$7,700; L. M. Pidgeon, \$3,720 (Dec. 15); S. W. B. Renouf, \$2,520; D. C. Rose, \$4,200; F. T. Rosser, \$2,820; R. Ruedy, \$3,300; F. H. Sanders, \$3,180; J. H. Simpson, \$2,460; E. W. R. Steacie, \$7,100; D. F. Stedman, \$4,020; L. E. Strader, \$2,400; J. S. Tapp, \$3,000; A. E. Tetu, \$3,000; W. W. Thomson, \$3,300; K. F. Tupper, \$3,300; L. G. Turnbull, \$2,580; A. VanWinsen, \$3,300; G. O. West, \$2,400; M. Whalley, \$2,820; D. Wolochow, \$4,200; A. H. Woodcock, \$3,000.

B Scholarships were awarded to students undertaking research in conjunction with their post graduate study at Canadian universities.

C Grants given for the purpose of aiding investigations on problems and to promote the development of research, \$135,027. Of this amount \$126,254.86 was placed to the credit of various Committees in the Trust Fund Account maintained in the Department of Finance, \$6,276.83 was paid direct to individuals for the purpose of carrying on scientific work and the balance, \$2,495.31, was required for the purpose of International Affiliations.

D E Persons whose travelling expenses exceeded \$300 were as follows: C. J. Mackenzie, acting president, \$1,081.55; W. E. Biglow, \$632.44; E. F. Burton, \$590.40; A. Circé, \$303.30; R. H. Clark, \$817.43; J. B. Collip, \$2,057.60; P. B. Dilworth, \$510.71; E. P. Fetherstonhaugh, \$389.75; J. J. Green, \$1,841.81; M. S. Kuhring, \$2,183.22; G. A. Ledingham, \$484.31; L. Orr, \$982.02.

Purchases of \$4,000 or over were as follows: Anaconda American Brass Ltd., New Toronto, metallic supplies, \$6,046.47; Builders Sales Ltd., Ottawa, hardware and mechanical supplies, \$5,304.80; Canadian Fairbanks Morse Co. Ltd., Montreal, mechanical equipment and supplies, \$6,060.12; Canadian General Electric Co. Ltd., Ottawa, electrical equipment and supplies, \$4,018.48; M. N. Cummings, Westboro, lumber, \$5,208.88; D. Kemp Edwards Ltd., Ottawa, lumber, \$4,715.03; D. Gestetner (Canada) Ltd., Ottawa, stationery, \$4,174.83; Hydro Electric Power Commission of Ontario, light and power, \$10,771.34; Marchand Electrical Company Ltd., Ottawa, electrical equipment and supplies, \$4,020.39; A. R. Williams Machinery Co. Ltd., Toronto, mechanical equipment and supplies, \$4,575.33; Williams and Wilson Ltd., Montreal, mechanical equipment and supplies, \$6,427.07; King's Printer, Ottawa, printing and stationery, \$21,088.47.

G This amount was applied as refunds against expenditures for National Research Council laboratories and General Administration, \$86,500 and \$5,000 respectively.

Expenditures in respect to research work were examined and audited as required by Section 12 of the Research Council Act, Chap. 177, R.S. 1927. A cash summary for the year and such comments as appear requisite follow:—

Balance on hand March 31, 1941, including \$31,500 in Dominion of Canada	
Bonds	1,125,538 03
Amount allocated from Vote 361	135,027 00
Revenue including donations from industry	733,197 43
	<hr/> 1,993,762 46

Deduct:—

Expenditures of Committees and individuals for research work	792,247 94
Credited to Vote 361	91,500 00
	<hr/> 883,747 94

Balance on hand March 31, 1942, including \$60,500 in Dominion of Canada

Bonds	<hr/> \$1,110,014 52
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Revenue, including donations from industry, \$733,197.43:—This amount includes \$347,641.29 received during 1941-42 as patriotic donations from companies and individuals for the furtherance of specific proposals relating to Canada's war effort, and sundry revenue from project operations; \$157,901.07 representing amounts to be administered on behalf of sundry organizations owing to conditions arising from the war; \$83,205.63 from industry for general research work, and the balance, \$144,449.44, as revenue and sundry collections. The details of the services, as printed in the Estimates for 1941-42, page 196, deducted \$125,000 as estimated revenues from the expenditure estimate of \$957,635. An actual amount of \$91,500 was credited to the vote, the balance received remaining to the credit of special accounts, the state of each as of March 31, 1942, being:—

General Advances	84,586 71	
Trust Fund	711,373 16	
Special Fund	956 63	
Patents and Royalties Fund—		
Cash	1,746 87	
Dominion of Canada Bonds	60,500 00	62,246 87
Sir F. G. Banting Fund		250,851 15
Total		<u>\$1,110,014 52</u>

SPECIAL

Vote 523 National Research Council—New premises for Annex Laboratories	342,754 00
Expenditures	<u>\$ 342,754 00</u>

Comments on Expenditures

In addition to this Vote, an Allotment of \$430,000 was provided from War Appropriation of which \$303,662.34 was expended. The details of the expenditures from the Vote and War Allotment follow.

Travelling expenses of \$447.59 were paid to K. F. Tupper.

The following amounts for contract work were paid: Dansereau Ltée., Ottawa, engine testing laboratory, further payments on account, \$121,837.68; Dominion Bridge Co. Ltd., Montreal, installation and construction of wind tunnels, contract price, \$150,000, payments on account, \$68,486.07 (paid in 1940-41, \$45,494); supplying and erecting model basin rails, contract price, \$11,825, paid on account, \$9,500; Dominion Sound Equipments Ltd., Montreal, sound insulation, \$33,245; Doran Construction Co. Ltd., Ottawa, construction of gas, oil and inflammable storage building, contract price, \$55,942, extras and tax, \$3,883.82, paid on account, \$56,773.82; Federal District Commission, Ottawa, surfacing of roads, \$17,257.31; Alex I. Garvoek, Ottawa, construction of instrument and model shop, balance of contract including extras and tax, \$28,101.84; model testing basin, \$122,199, extras and tax, \$2,590.22, final payment, \$115,179.22 (paid in 1940-41, \$89,610); J. L. Guay & Frère Ltée., Ottawa, erection of a heating plant, contract price, \$139,000, extras, \$12,532.78, final payment, \$30,242.78 (paid in 1940-41, \$121,290); Guinane Construction Co. Ltd., Toronto, construction of administration and wind tunnels building, final payment on contract, \$10,892.47; Whitmore & McArthur, Russell, excavating, grading and road bottoming, contract price, \$8,255.07, final payment, \$2,915.07 (paid in 1940-41, \$5,340); Fred A. Wilson, Ottawa, driveway and fence lighting, contract price, \$11,887, extra work, \$220, paid on account, \$11,807.

Purchases of \$4,000 and over were as follows: E. W. Bliss Co., Brooklyn, dynameters, engines, etc., \$4,634.25; Canadian General Electric Co. Ltd., Ottawa, electrical equipment and supplies, \$14,479.13; Canadian Westinghouse Co. Ltd., Ottawa, motor, \$9,045, paid on account, \$6,783.75; Canadian Sirocco Co. Ltd., Windsor, motors, etc., \$17,334.36, paid on account, \$8,770.86; General Supply Co. of Canada, Ltd., Ottawa, gasoline engine generator set, \$4,439.47; Metallic Roofing Co. Ltd., Toronto, shelving, racks, \$6,031.37; Northern Electric Co. Ltd., Montreal, electrical equipment and supplies, \$4,586.02, paid on account, \$4,070.17; Ontario Hughes-Owens Co. Ltd., Ottawa, laboratory apparatus, drafting supplies, \$5,769.27; Collier & Cooper, Jersey City, floating frame and towing balance, \$33,078, paid on account, \$21,001.20.

CANADIAN WHEAT BOARD

<i>Canadian Wheat Board—Deficits—Canadian Wheat Board Act, 1935</i>	
<i>(Special)</i>	<u><u>\$12,570,828 12</u></u>

Purpose for which Appropriation was provided

Provision for a reserve to meet the deficits not previously provided for resulting from the operation of the Canadian Wheat Board calculated as at July 31, 1941.

Comments on Expenditures

A sum of \$52,000,000 was advanced in previous years to the Canadian Wheat Board to meet losses in respect to 1938 wheat. In addition \$10,499,676.97 was set up as a reserve in the Dominion books to meet the deficits of the Board not previously provided for, based on calculations as at July 31, 1940. A further sum of \$12,570,828.12 was added to this reserve in the fiscal year 1941-42 based on calculations as at July 31, 1941, making the total \$23,070,505.09. From this amount a cheque for \$4,623,381.83 was issued to the Canadian Wheat Board leaving a balance of \$18,447,123.26 in the reserve at March 31, 1942.

DEPARTMENT OF TRANSPORT

REVENUES

Summary

Ordinary Revenue—	1941-42	1940-41
Canals: Rents and Other Receipts	906,675 75	843,511 66
Steamship Inspection	139,837 51	125,868 09
Wharves and Piers	206,067 26	222,306 70
National Harbours Board	212,843 58	309,932 28
Casual Revenue	710,201 09	526,048 22
Fines and Forfeitures	15,118 51	12,585 83
Special Revenue	2,190,743 70	2,040,252 78
Capital Account—Refund of Previous Years' Expenditure	1,008,444 20	243 35
	<u>\$3,199,187 90</u>	<u>\$2,060,900 12</u>

Details

A Air Service—

Aviation Division:

Fees: passenger, landing, registration, transportation	4,415 19
Licences: private pilots, air harbour	1,070 00
Storage ground and hangar rental	14,403 30
Rents	12,415 50
Airport service charges	70,454 42
Sundries	363 85
Fines and forfeitures	253 75

Radio Division:

Wireless operators' examination fees	1,283 50
Wireless apparatus licence fees	13,954 00
Radio operators, rentals of dwellings	23,630 52
Radio service at airports	5,200 00
Radio traffic	90,465 82
Fines and forfeitures	12,375 35

B Canals Service—

Canals Revenue	906,675 75
Fines and forfeitures	1,040 00

C Marine Service—

Steamship inspection	139,837 51
Wharves and piers	184,901 60
Harbour dues	21,165 66
Fees: surveyors, masters and mates, pilots licence, marine registry	4,873 70
Rents	27,224 15
Sundries	10,000 29
Fines and forfeitures	1,443 41

D Board of Transport—

Licences	4,064 20
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E Railway Service—

Interest on railway subsidies	135,089 58
Fines and forfeitures	6 00

F Cost of collection of radio licence fees, 1941-42, as authorized under Section 14 of the Canadian Broadcasting Act, 1936	197,476 52
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AUDITOR GENERAL'S REPORT

G National Harbours Board: net income surplus for 1941: Port Colborne Elevator, \$81,738.90; Prescott Elevator, \$131,104.68.....	212,843 58
H Miscellaneous: Refunds of previous years' expenditure, \$49,455.73; sales, salvage material, \$29,586.87; sundry, \$14,773.95.....	93,816 55
I Capital Account, Refunds of previous years' expenditure—	
Public Works—Canals: sale of land, etc.: Chambly, \$177.17; Trent, \$20; Welland, \$8,038.25	8,235 42
Public Works—Railways: Hudson Bay Railway, material utilized from stock carried in Capital Account, \$14,656.15; Intercolonial Railway, transfer of land at Moncton to Department of National Defence (Air), \$1,746.55; net amount of insurance recovered on loss of car ferry Charlottetown, \$983,806.08	1,000,208 78
	<u>\$3,199,187 90</u>

Certified correct.

C. P. EDWARDS,
Deputy Minister of Transport.

In accordance with the provision of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

B Canals revenue consists of \$561,778.81 from rentals derived under the leasing of land, water power and from house rentals, \$114,127.50 from linesmen's fees and the balance, \$230,769.44, from wharfage, wintering, lying up, etc.

Linesmen's fees, Welland Canal, are collected for services rendered by canal employees in assisting passage of vessels through the canal. The rates are established by the Governor in Council.

C Steamship inspection fees are established by the Governor in Council under the authority of Section 477 of the Canada Shipping Act, the collections being made mainly through collectors of customs.

Wharves and piers revenue is collected by wharfingers appointed under the authority of the Government Harbours and Piers Act. The remuneration of the wharfingers and certain expenses authorized for making serviceable the wharves, amounting to approximately \$50,000, were paid from the revenue under the authority of the Act. In certain instances, agreements are entered into by the Department for the application of fixed yearly payments for the use of a wharf, pier or breakwater. These amounts are paid direct to the Department. The rates of remuneration for wharfingers are determined by the Governor in Council at 50 per cent of the first \$200 collected or any portion thereof and 15 per cent of all collections over \$200. In a few instances, special rates have been established with the approval of the Governor in Council.

The remuneration and expenses of harbour masters amounting to approximately \$17,700, were paid from harbour dues revenue in accordance with the Canada Shipping Act. The rates of remuneration for harbour masters are determined by the Governor in Council.

E Interest on railway subsidies is collected under the authority of the various Railway Subsidies Acts the last of which was given assent to in 1913. Of the amount credited, the greater portion was received through the Post Office Department and represented earnings for mail transportation facilities provided over subsidized portions of certain railway lines.

Audit Notes

Between 1899 and 1913, various railway subsidy Acts provide that the railways concerned shall furnish annually to the Government of Canada, transportation for men, supplies and mails, as well as certain other services in connection with the mails, over the portion of the line in respect of which a subsidy has been paid, to an amount equal to 3 per cent of the

amount paid as subsidy. The examination of accounts disclosed that the departments generally did not avail themselves of the benefits of this legislation although the Post Office Department collected \$133,048.97 and the Department of National Defence \$2,040.61.

The Governor in Council under Section 33 of the Consolidated Revenue and Audit Act remitted fines and other charges amounting to approximately \$295.

APPROPRIATIONS AND EXPENDITURES

A total of \$22,455,454.79 was available for expenditure on account of the Department of Transport of which \$21,880,507.99 was provided in the annual appropriation acts and \$574,946.80 was authorized by continuing statutory provisions. Expenditures were \$20,369,347.10 for the fiscal year 1941-42 a decrease of \$17,088,844.43 as compared with those of \$37,458,191.53 in 1940-41.

An amount totalling \$263,973,564.81 was provided for Loans and Investments of which \$355,655.50 was included in the annual appropriation acts and \$263,617,909.31 was allotted under general statutes and War Appropriation. The Loans and Investments during the year amounted to \$263,845,127.13. Repayments and other credits amounted to \$28,110,757.13.

In addition, a total of \$4,261,162.57 was allotted to the Department from the War Appropriation. Expenditures thereunder amounting to \$3,580,426.65 are shown in the War Expenditures section of this report.

No. of Vote	Services	Appropriations	Expenditures	Lapsed
362	Departmental Administration	378,943 00	344,938 98	34,004 02
	ADMINISTRATION OF THE TRANSPORT ACT			
Statutory	Salaries of the Board of Transport Commissioners for Canada, Rail- ways Act, c. 170 R.S.....	53,499 60	53,499 60	
363	Board of Transport Commissioners for Canada — Administration, Maintenance and Operation	280,760 00	267,796 69	12,963 31
	AIR SERVICE			
	(Control and supervision vested in the Minister of Munitions and Supply by Order in Council P.C. 3076 of 8th July, 1940)			
364	Air Service Administration	11,435 00	10,261 81	1,173 19
365	Control of Civil Aviation, including the administration of the Aero- nautics Act and Regulations issued thereunder	245,400 00	232,486 88	12,913 12
	Airways and Airports—			
366 } 524 }	Construction and improvements, including lighting and radio facilities (Capital)	1,469,960 00	1,248,154 71	221,805 29
367	Operation and maintenance, in- cluding lighting, radio and me- teorological services	1,729,585 00	1,471,884 73	257,700 27
368	Grants for advanced aeronautical in- struction, and to Aeroplane Clubs, including grant of \$5,000 to the Canadian Flying Clubs Association	13,000 00	7,200 00	5,800 00

No. of Vote	Services	Appropriations	Expenditures	Lapsed
369	Contributions to assist municipalities to improve existing airports, or to provide new airports, and for direct construction works on municipal or government airports serving municipalities, the sites of which have been provided by such municipalities	274,500 00	260,032 90	14,467 10
370} *420{	Meteorological Service, including an allowance of \$400 to L. F. Gorman, observer at Ottawa.....	389,015 64	372,359 45	16,656 19
371	Grant to Kingston Observatory....	500 00	500 00	
372	Administration of the Radio-telegraph Act and Regulations	128,600 00	123,769 02	4,830 98
373} *420{	Radio direction finding stations, radio beacons and radio-telegraph stations, operation and maintenance	638,246 79	626,836 16	11,410 63
374	Suppression of local electrical interferences	150,000 00	139,774 21	10,225 79
67 375} *420{	Issue of radio receiving licences—(Transport Department only) ..	171,298 39	168,065 12	3,233 27
Statutory	Exchequer Court Awards, Exchequer Court Act, c. 34	687 65	687 65	
CANALS SERVICE				
376	Canals Service Administration	37,810 00	33,934 71	3,875 29
377	Canals—Operation and maintenance	2,213,669 00	2,179,346 08	34,322 92
378} 525{	Canals—Improvements	225,160 00	117,636 62	107,523 38
411	Canals—Improvements—Old Beauharnois Canal—Settlement of the claims of T. C. Gorman Construction Company Limited (Special)	4,900 00	3,951 00	949 00
379} 526{	Expenses in connection with St. Lawrence Ship Canal Surveys and Investigations	26,000 00	10,298 56	15,701 44
380	Carrying out of flow measurements and other expenses connected with the Department's supervision and control over the hydro-electric power development of the Beauharnois Light, Heat and Power Company, Limited	3,000 00	690 73	2,309 27
MARINE SERVICE				
381	Marine Service Administration	16,675 00	14,943 49	1,731 51
382	Administration of Floating Equipment	21,915 00	17,314 43	4,600 57
383} *420{	Nautical Service Administration ...	30,022 77	29,668 22	354 55

* Supplementary vote.

DEPARTMENT OF TRANSPORT

395

No. of Vote	Services	Appropriations	Expenditures	Lapsed
384 } 527 }	Marine Service Steamers, including Icebreakers—Maintenance, operation and repairs	1,262,000 00	1,099,275 54	162,724 46
413	Completion of a Combination Ice- breaker and Service Vessel (Capital)	80,000 00	71,258 23	8,741 77
385 } 528 } *420 }	Construction, maintenance and supervision of Aids to Navigation, including salaries and allowances to lightkeepers	1,843,857 59	1,802,308 29	41,549 30
386	Agencies—salaries and office expenses	259,064 00	254,081 91	4,982 09
387	Maintenance and repairs to wharves	5,000 00	2,742 03	2,257 97
388	Breaking ice in Thunder Bay, Lake Superior, and other points deemed advisable in the interests of navigation	30,000 00	30,000 00	
389	Canada's share of the cost of the North Atlantic Ice Patrol	7,500 00	1,423 02	6,076 98
*420 } 390 }	Administration of Pilotage	195,471 21	188,369 67	7,101 54
*420 } 391 } 529 }	Life Saving Service, including rewards for saving life	41,686 94	38,562 36	3,124 58
392	To provide subsidies for wrecking plants—Quebec and British Columbia	45,000 00	45,000 00	
393	Grants of \$200 each to the Royal Arthur Sailors Institutes at Port Arthur, Kingston and Toronto, which provide for medical assistance to and hospitalization for distressed seamen on the Great Lakes	600 00	600 00	
394	Miscellaneous services relating to navigation and shipping, including grants towards schools of navigation at Queen's University, \$500, Vancouver, B.C., \$1,350, and provision to settle claims by the Board of Trade, London, England, for expenses incurred in respect of Canadian distressed seamen of British ships registered out of Canada	46,180 00	39,980 90	6,199 10
395	Steamship inspection and the carrying out of the provisions of the conventions for the safety of life at sea and load lines	205,325 00	194,206 27	11,118 73
396	Marine Signal Service	92,960 00	83,207 55	9,752 45
397	River St. Lawrence Ship Channel— Contract dredging in the St. Lawrence River and Montreal Harbour, including cost of administration (Capital)	1,973,085 00	1,951,519 03	21,565 97

* Supplementary vote.

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
412	River St. Lawrence Ship Channel— Extension and improvement of Control Weirs (Capital)	155,000 00	154,997 44	2 56
398	River St. Lawrence Ship Channel— Operation and maintenance, in- cluding any portion of contract dredging chargeable to mainten- ance	174,300 00	173,092 71	1,207 29
RAILWAY SERVICE				
399 } *420 }	Repairs and expenses in connection with the operation and mainten- ance of official railway cars under the jurisdiction of the Department	41,786 96	40,438 29	1,348 67
400	Hudson Bay Railway—Construction and improvements (Capital)	14,000 00	4,517 18	9,482 82
401 } *443 }	Hudson Bay Railway—To provide for the difference between expen- ditures for operations and main- tenance, and revenue accruing from operation during the year ending March 31, 1942	460,000 00	459,859 28	140 72
402	Interest on rails rolled for Canadian National Railways: payment of interest under the terms and con- ditions of Orders in Council P.C. 1462 and P.C. 1533 of June 7, 1935, respecting orders of steel rails for the Canadian National Railway Company	2,200 00	175 08	2,024 92
403	Maritime Freight Rates Act—To hereby authorize and provide for the payment from time to time during the fiscal year 1941-42 to the Canadian National Railway Company of the difference (esti- mated by the Canadian National Railway Company and certified by the Auditors of the said Com- pany to the Minister of Transport as and when required by the said Minister) occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (upon the same basis as set out in Section 9 of the said Act with respect to companies therein re- ferred to) on all traffic moved during the calendar year 1941 under the tariffs approved on the Eastern Lines (as referred to in Section 2 of the said Act) of the Canadian National Railways	3,350,000 00	3,072,978 27	277,021 73

* Supplementary vote.

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
404	Amount required to provide for payment from time to time during the fiscal year 1941-42 of the difference (estimated by the Board of Transport Commissioners for Canada and certified by the said Board to the Minister of Transport, as and when required by the said Minister) occurring on account of the application of the Maritime Freight Rates Act, between the tariff tolls and the normal tolls (referred to in Section 9 of the said Act) on all traffic moved during the calendar year 1941, under the tariffs approved by the following companies: Canada & Gulf Terminal Railway, Canadian Pacific Railway, including: Fredericton & Grand Lake Coal & Railway Company, and New Brunswick Coal & Railway Company, Cumberland Railway and Coal Company, Dominion Atlantic Railway, Maritime Coal, Railway & Power Company, Sydney and Louisburg Railway, Temiscouata Railway Company	900,000 00	862,198 93	37,801 07
Statutory	Railway Grade Crossing Fund, Railway Act, c. 170, R.S.	25,100 99	25,100 99	
414	Discharge of commitments incurred prior to March 31, 1941, under the authority of Vote No. 456, Schedule "A" to the Appropriation Act No. 3, 1940, respecting highway crossings of railways (special) ..	638,786 22	283,027 77	355,758 45
GOVERNMENT EMPLOYEES' COMPENSATION				
406} *420}	Administration of the Government Employees' Compensation Act ..	21,923 98	20,625 91	1,298 07
Statutory	Payments of compensation respecting Government employees, c. 9, 1931, Government Employees' Compensation Act	488,898 56	488,898 56	
PENSIONS AND OTHER BENEFITS				
407	Compassionate allowance to John Davidson, formerly lightkeeper at Cape Mudge, B.C.	500 00	500 00	

* Supplementary vote.

<u>No. of Vote</u>	<u>Services</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed</u>
408	Compassionate allowance to recoup the Workmen's Compensation Board of British Columbia in continuation of a pension granted and to be paid by that Board up to the 31st March, 1942, in the sum of \$40 per month, to the widow of the late E. J. McCoskrie, who was formerly employed as Port Warden at Prince Rupert, B.C., and who was killed while in the performance of his duties.....	480 00	480 00	
409	Amount required to pay pensions of \$300 each to former pilots: Alphonse Asselin, Joseph Pouliot, Raoul Lachance, J. H. Talbot, Jules Asselin, Joseph Vezina, Arthur Paquet	2,100 00	2,100 00	
410	Railway Employees' Provident Fund—To supplement pension allowances under the provisions of the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act, so as to make the minimum payment during the period January 1, 1941 to March 31, 1942, the sum of \$30 per month instead of \$20 as fixed by the said Act	23,000 00	20,774 57	2,225 43
SUPERANNUATION AND RETIREMENT BENEFITS				
Statutory	Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S.	6,760 00	6,760 00	
GOVERNMENT OWNED ENTERPRISES				
<i>Prince Edward Island Car Ferry and Terminals</i>				
417) *444)	Amount required to provide for the payment during the fiscal year 1941-42 to the Canadian National Railway Company (hereinafter called the National Company) upon applications approved by the Minister of Transport, made from time to time by the National Company, to the Minister of Finance and to be applied by the National Company in payment of the deficit (certified by the auditors of the National Company) in the operation of the Prince Edward Island Car Ferry and Terminals arising in the calendar year 1941	423,651 00	423,650 75	25

* Supplementary vote.

DEPARTMENT OF TRANSPORT

399

No. of Vote	Services	Appropriations	Expenditures	Lapsed
<i>National Harbours Board</i>				
418	Payment to National Harbours Board, of the amount hereinafter set forth, to be applied in payment of the deficits (after payment of the interest due the public but exclusive of interest on Dominion Government Advances and depreciation on capital structures) arising in the calendar year 1941, in the operation of the Churchill harbour	66,885 00	32,515 38	34,369 62
415	Advances to National Harbours Board, subject to the provisions of of Section 29 of the National Harbours Board Act, to meet expenditures during the calendar year 1941 on any or all of the following accounts:—			
	(a) Retirement of Maturing Debentures—			
	Saint John	2,000 00		
	Quebec	400,000 00	402,000 00	
	(b) Reconstruction and Capital Expenditures—			
	Saint John	3,000 00		
	Generally			
	Unforeseen	200,000 00		
		203,000 00		
	Less \$8,355.50 transferred to Loans & Investments ..	8,355 50		
		194,644 50	14,089 44	180,555 06
419	Advances to National Harbours Board with interest at a rate to be fixed by the Governor in Council for such period and upon such terms and conditions as the Governor in Council may determine, to be applied in payment of deficits resulting from the operations of the Jacques Cartier Bridge	441,125 00	342,000 00	99,125 00
<i>Canadian National (West Indies) Steamships, Limited</i>				
416	Advances to Canadian National (West Indies) Steamships, Limited, repayable on demand with interest at a rate to be fixed by the Governor in Council upon such terms and conditions as the Governor in Council may determine and to be applied in payment of capital expenditures in connection with vessels under the Company's control during the year ending December 31, 1941	20,000 00		20,000 00
		<u>\$22,455,454 79</u>	<u>\$20,369,347 10</u>	<u>\$2,086,107 69</u>

AUDITOR GENERAL'S REPORT

Summary

	Appropriations	Expenditures	Lapsed
Ordinary Expenditures	16,571,418 07	15,437,666 17	1,133,751 90
Special Expenditures	643,686 22	286,978 77	356,707 45
Government Owned Enterprises	1,548,305 50	1,214,255 57	334,049 93
Capital Expenditures	3,692,045 00	3,430,446 59	261,598 41
	<u>\$ 22,455,454 79</u>	<u>\$ 20,369,347 10</u>	<u>\$2,086,107 69</u>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

The above accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

Vote 362 Departmental Administration	378,943 00
Expenditures	344,938 98
Lapsed	\$ 34,004 02

	Estimates details	Allotments authorized	Expenditures
A Salaries	321,693 00	321,693 00	312,812 92
B Printing and stationery	17,650 00	17,650 00	14,617 68
C Travelling expenses	12,000 00	12,000 00	5,728 98
D Telegrams and telephones	7,600 00	7,600 00	4,040 28
E Miscellaneous and unforeseen expenses ..	20,000 00	20,000 00	7,739 12
	<u>\$ 378,943 00</u>	<u>\$ 378,943 00</u>	<u>\$ 344,938 98</u>

Comments on Expenditures

The Minister, The Hon. J. P. A. Cardin, also Minister of Public Works, received salary and motor car allowance as Minister of Public Works.

A As of March 31, 1942, there were 171 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): C. P. Edwards, Deputy Minister, \$10,000; F. W. Addy, \$2,400; R. C. F. Alexander, \$3,960 (April 20); J. R. Baxter, \$2,760; T. M. Bryson, \$2,400 (also paid \$600 secretarial allowance by Department of Munitions and Supply); E. G. Carty, \$4,200; F. T. Collins, \$3,600; A. H. Dame, \$3,000; R. Dorman, \$3,000; C. H. Edgett, \$4,320; J. Fortier, \$3,600; E. E. Gagnon, \$4,920; J. Garvie, \$2,400; S. Hairsine, \$4,920; W. P. Harty, \$2,400 (Feb. 1); C. J. Isbester, \$4,920 (Sept. 25); M. E. Kenny, \$3,420; W. Knightley, \$3,720; G. A. Lindsay, \$5,220; W. L. MacKenzie, \$3,960; W. S. Manchester, \$3,120; W. J. Matthews, \$5,700; L. L. Matton, \$2,700; A. H. McKee, \$3,720; D. W. McLachlan, \$9,500; E. H. McLellan, \$2,880; T. R. Moore, \$3,600; W. A. O'Leary, \$4,200; J. A. J. Pelletier, \$2,700; J. A. Reardon, \$2,880; W. H. VanAllen, \$2,520; T. E. Walker, \$4,020; D. M. Walsh, \$2,400; H. Wellwood, \$3,000; G. W. Yates, \$6,420.

B Practically all the printing and stationery was purchased through the Stores Account.

C Travelling expense payments over \$300 were: S. Hairsine, \$638.98; H. Lefebvre, \$351.85; J. A. Reardon, \$1,022.56; J. A. G. Saint Laurent, \$858.82; T. E. Walker, \$592.97.

E This expenditure includes legal expenses amounting to \$3,951.78.

ADMINISTRATION OF THE TRANSPORT ACT

Salaries of Board of Transport Commissioners for Canada, Railway Act,

<i>c. 170, R.S.</i>	53,499 60
<i>Expenditures</i>	\$ 53,499 60

Comments on Expenditures

As of March 31, 1942, the following were receiving salaries at the rates authorized by Section 26 of the Railway Act: J. A. Cross, chief commissioner, \$12,500; H. Wardrope, assistant chief commissioner, \$9,000; F. N. Garceau, \$8,000; Hon. F. M. MacPherson, \$8,000; G. A. Stone, \$8,000; J. A. Stoneman, \$8,000.

The travelling expenses of the Commissioners were paid from Vote 363, Board of Transport Commissioners for Canada, administration, maintenance and operation.

Vote 363 Board of Transport Commissioners for Canada—administration, maintenance and operation

<i>Expenditures</i>	280,760 00
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	267,796 69
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<i>Lapsed</i>	\$ 12,963 31
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	Estimates details	Allotments authorized	Expenditures
A Salaries	241,960 00	241,960 00	236,492 42
B Official reporting, including amount of re- porting contract	7,200 00	7,225 00	7,209 91
C Official car	3,000 00	3,000 00	3,000 00
D Printing and stationery	11,000 00	11,000 00	7,267 17
E Telegrams and telephones	600 00	600 00	454 36
F Travelling expenses	16,000 00	16,000 00	12,886 55
G Sundries	1,000 00	975 00	486 28
	\$ 280,760 00	\$ 280,760 00	\$ 267,796 69

Comments on Expenditures

A As of March 31, 1942, there were 92 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): W. E. Campbell, director of traffic, \$8,500; P. F. Baillargeon, \$4,500; A. A. Belanger, \$4,260; F. Blakeney, \$3,120; O. H. Boileau, \$2,520; E. J. Bonner, \$3,000; J. L. Bourgault, \$3,120; A. Bowman, \$2,520; L. L. Brethour, \$3,000; F. F. Burpee, \$3,240; D. H. Chambers, \$2,520; J. G. Couper, \$3,120; H. E. B. Coyne, \$6,000; A. B. Drum, \$2,520; G. D. Evans, \$2,520; C. L. Fligg, \$2,400; W. R. Follis, \$3,120; E. K. Hall, \$4,680; F. S. Hartle, \$4,320 (on loan to Department of Munitions and Supply from July 1); F. R. Harvey, \$5,100; A. E. Hudson, \$3,120; H. C. Johnson, \$3,480; D. G. Kilburn, \$6,000; A. S. Kirk, \$5,100; G. Kydd, \$3,960; J. A. LaFontaine, \$3,120; F. Lalonde, \$2,520; A. Larocque, \$2,400; R. Larose, \$2,400; A. Lesage, \$3,120; J. C. Lessard, \$5,100; N. B. Lyon, \$4,200; J. E. Martin, \$2,400; S. J. McLean, \$6,000; C. E. McManus, \$2,520; C. H. Moore, \$3,000; D. Mowat, \$3,120; L. A. Nadeau, \$2,520; D. M. Noell, \$4,260; J. H. Parks, \$3,960; J. W. Reid, \$3,120; C. C. Stibbard, \$6,000; J. Timmins, \$3,720; S. Towns, \$3,120; E. Turcotte, \$2,400; J. R. Usher, \$3,000; E. W. Wadsworth, \$2,400.

B B. Butcher, Toronto, was paid \$7,183.85 for official reporting.

D Payments of \$6,567.17 and \$700 were made to the King's Printer and the Canada Law Book Co., Ltd., Toronto, respectively. The latter payment was for the reporting of the principal decisions of the Board in Canadian Railway and Transport Cases, Volume 52.

F Travelling expense payments over \$300 were: A. A. Belanger, \$499.58; F. Blakeney, \$786.10; J. L. Bourgault, \$519.94; F. F. Burpee, \$532.64; J. G. Couper, \$702.14; W. R. Follis, \$589.57; A. E. Hudson, \$767.75; G. Kydd, \$371.05; J. A. LaFontaine, \$910.06; A. LeSage, \$766.95; C. H. Moore, \$1,116.45; D. Mowat, \$702.31; D. M. Noell, \$738.69; J. H. Parks, \$372.77; J. W. Reid, \$792.10; S. Towns, \$642.67.

AIR SERVICE

Vote 364 Air Service Administration	11,435 00
Expenditures	10,261 81

Lapsed\$ **1,173 19**

	Estimates details	Allotments authorized	Expenditures
A Salaries	10,185 00	10,185 00	9,452 48
B Sundries including printing and stationery, travelling expenses and telegrams and telephones	1,250 00	1,250 00	809 33
	<u>\$ 11,435 00</u>	<u>\$ 11,435 00</u>	<u>\$ 10,261 81</u>

Comments on Expenditures

- A** As of March 31, 1942, there were 3 employees paid from this vote. J. A. Wilson, director of air services, was receiving an annual salary of \$6,600 at that date.
- B** Travelling expenses over \$300: J. A. Wilson, \$389.91.

Vote 365 Control of Civil Aviation including the Administration of the Aeronautics Act and Regulations issued thereunder	245,400 00
Expenditures	232,486 88

Lapsed\$ **12,913 12**

	Estimates details	Allotments authorized	Expenditures
A Salaries	116,355 00	116,855 00	116,296 42
B Printing and stationery	5,000 00	6,500 00	6,063 37
C Travelling expenses	30,000 00	18,000 00	17,221 14
D Telegrams and telephones	4,500 00	4,500 00	2,468 58
E Materials, supplies and equipment	49,045 00	46,045 00	39,492 11
F Legal expenses	500 00	500 00	89 70
G Overhaul and maintenance of aircraft	30,000 00	45,000 00	42,952 15
H Sundries	10,000 00	8,000 00	7,903 41
	<u>\$ 245,400 00</u>	<u>\$ 245,400 00</u>	<u>\$ 232,486 88</u>

Comments on Expenditures

- A** As of March 31, 1942, there were 61 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): A. D. McLean, controller of civil aviation, \$5,520; G. S. Abbott, \$3,900; H. S. Alguire, \$2,460; J. L. Blondeau, \$3,300; F. W. Bone, \$2,700; F. W. Chandler, \$2,460; J. J. Currie, \$2,580; S. Graham, \$3,960; R. C. Guest, \$3,900; W. F. Hilchie, \$2,700; D. T. Jackson, \$2,460; D. G. Joy, \$3,900; D. D. Murphy, \$3,300; K. F. Saunders, \$3,060; T. M. Shields, \$3,900; J. L. Smith, \$4,440; T. G. M. Stephens, \$3,900; C. T. Travers, \$3,840; T. Vergette, \$3,000; G. E. Wallingford, \$3,480; K. E. Whyte, \$3,300.
- C** Travelling expense payments of \$300 or over were: H. S. Alguire, \$731.38; J. L. Blondeau, \$703.71; F. W. Bone, \$300.27; R. S. Brownlee, \$771.51; G. C. Bulger, \$331.87; F. W. Chandler, \$803.48; J. J. Currie, \$1,841.04; R. C. Guest, \$1,203.55; D. T. Jackson, \$1,329.74; D. G. Joy, \$437.87; A. D. McLean, \$607.11; D. D. Murphy, \$1,010.47; K. F. Saunders, \$575.93; T. M. Shields, \$810.20; T. G. M. Stephens, \$1,470; N. C. Terry, \$860.17; T. Vergette, \$596.10; A. H. Walker, \$1,017.88; K. E. Whyte, \$809.47.

E G H Payments of \$5,000 or over were: Canadian Pratt & Whitney Aircraft Co., Ltd., Longueuil, engine, supplies, services, \$10,059.97; Imperial Oil Limited, gasoline, services, \$6,878.93; Lockheed Aircraft Corporation, Burbank, California, aircraft overhaul, parts, exchange, gasoline, \$8,552.70; Mid-West Aircraft Ltd., Winnipeg, services, \$5,386.81; Trans-Canada Air Lines, overhaul, service, gasoline, oil, \$11,642.09.

Vote 366 Airways and Airports—Construction and improvements including lighting and radio facilities (Capital) 1,231,460 00

Vote 524 Further amount required 238,500 00

	1,469,960 00
Expenditures	1,248,154 71
Lapsed	\$ 221,805 29

	Estimates details	Allotments authorized	Expenditures
A Salaries of temporary construction staff....	38,460 00	38,460 00	33,240 20
B Construction and improvements—lighting and field services	1,081,500 00	1,081,500 00	941,846 12
C Construction and improvements—radio avia- tion services	350,000 00	350,000 00	273,068 39
	<u>\$1,469,960 00</u>	<u>\$1,469,960 00</u>	<u>\$1,248,154 71</u>

Comments on Expenditures

A As of March 31, 1942, there were 22 employees paid from this allotment none of whom received an annual salary of \$2,400 or over.

B C Travelling expense payments of \$300 or over were: J. E. Archer, \$360.47; G. R. Hill, \$442.23; J. R. Mackay, \$809.90; D. J. Munro, \$737.24; F. G. Nixon, \$656.89; F. V. Ryan, \$382.87; W. E. Wright, \$487.60.

Payments for development of airways and airports amounting to \$5,000 or over were: Angus and Taylor Ltd., North Bay, \$46,417.97; Atlas Polar Co., Ltd., Toronto, \$16,804.50; Bell Telephone Co. of Canada, \$30,187.71; Bennett & White Construction Co., Calgary, \$5,049.76; Beryman & Nelson Ltd., Kenora, \$5,767.50; J. E. Brazeau, Ltd., Montreal, \$168,250.07; Canada Construction Co., Ltd., Fredericton, \$86,744.95; Canada Wire & Cable Co., Ltd., Toronto, \$5,838.97; Canadian Bridge Co., Ltd., Walkerville, \$9,378.63; Canadian Comstock Co. Ltd., Montreal, \$37,972.90; Canadian General Electric Co., Ltd., \$12,201.86; Canadian Marconi Co., Ltd., Montreal, \$30,465.58; Canadian Telephones and Supplies Ltd., Toronto, \$7,472.12; Colas Roads Ltd., Toronto, \$26,360.96; Dibblee Construction Co., Ltd., Ottawa, \$28,104; General Supply Co. of Canada, Ltd., Ottawa, \$6,465; Imperial Oil Limited, \$18,402.49; J. A. A. Leclair, Dupuis, Ltd., Montreal, \$70,847.47; Manitoba Provincial Government, Dept. of Public Works, \$5,463.17; New Brunswick Provincial Government, Dept. of Highways, \$28,914.63; Northern Electric Co., Ltd., \$6,111.35; RCA Victor Co., Ltd., Montreal, \$48,160.05; Storms Contracting Co., Ltd., Toronto, \$23,979.22; Trans-Canada Air Lines, \$189,467.70; Williams & Carrothers Limited, Vancouver, \$17,451.42.

Vote 367 Airways and Airports—Operation and Maintenance including lighting, radio and meteorological services 1,729,585 00

Expenditures 1,471,884 73

Lapsed \$ 257,700 27

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries and wages	752,665 00	752,665 00	740,512 71
B Allowances	10,620 00	10,620 00	9,326 59
C Printing and stationery	26,050 00	26,050 00	20,594 04
D Travelling expenses	63,000 00	63,000 00	48,139 41
E Telegrams, telephones and remote control lines	25,500 00	25,500 00	22,187 69
F Teletype service	161,750 00	161,750 00	154,266 72
G Operation and maintenance of aerodromes, buildings and equipment	300,000 00	300,000 00	167,307 02
H Materials, supplies and equipment	280,500 00	280,500 00	217,133 81
I Light, power and water	77,000 00	77,000 00	64,021 05
J Freight, express and cartage	16,500 00	16,500 00	12,580 42
K Sundries	16,000 00	16,000 00	15,815 27
	<u>\$1,729,585 00</u>	<u>\$1,729,585 00</u>	<u>\$1,471,884 73</u>

Comments on Expenditures

- A As of March 31, 1942, there were 468 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): R. Dodds, superintendent of airways and airports, \$4,485; H. Ainsworth, \$3,240; J. Albulet, \$2,760; D. C. Archibald, \$3,720; F. I. Banghart, \$3,300; A. K. Bayley, \$2,760; C. C. Bogart, \$2,820; J. P. Brooman, \$2,580; W. R. Butler, \$2,760; J. C. Charleson, \$2,820; C. R. Dobbin, \$2,700; W. E. Fenn, \$2,760; S. Foley, \$3,660; S. Graham, \$3,900; T. J. G. Henry, \$2,880; E. W. Hewson, \$2,700; E. Hickson, \$3,300; R. A. Hornstein, \$2,700; F. T. Hughes, \$2,700; J. D. Hunter, \$3,300; W. H. Irvine, \$3,300; C. E. Keating, \$3,300; D. B. Kennedy, \$2,700; W. S. Lawson, \$3,660; A. R. McCauley, \$2,820; G. L. McGee, \$4,140; A. D. McLean, \$4,980 (July 1); F. J. Mahaffy, \$2,700; J. R. K. Main, \$3,840; W. L. Nelson, \$2,580; F. G. Nixon, \$2,760; D. M. Robertson, \$2,700; J. R. Robertson, \$3,840; C. W. Thomas, \$2,580; H. E. Walsh, \$4,020.
- D Travelling expenses in excess of \$300 were: H. Ainsworth, \$423.57; J. Albulet, \$1,131.79; H. V. Allan, \$407.78; J. R. Allen, \$516.60; J. R. Armstrong, \$1,544.70; C. C. Bogart, \$670.23; W. R. Butler, \$1,029.38; A. J. Childs, \$566.29; E. G. Clarke, \$884.96; W. A. Clavet, \$860.82; H. Dart, \$572.78; M. Eldridge, \$579.02; W. E. Fenn, \$383.68; L. C. Giberson, \$1,417.01; Stuart Graham, \$1,183.60; N. Hadley, \$978.03; A. A. Haines, \$603.35; W. C. Hopkins, \$584.87; G. E. Howse, \$757.52; F. T. Hughes, \$546.64; J. D. Hunter, \$1,171.56; C. E. Keating, \$910.10; D. A. McDougal, \$544.64; J. R. MacKay, \$943.08; A. G. MacLennan, \$1,140.63; N. D. McLeod, \$461.01; H. J. Moore, \$923.94; W. L. Nelson, \$809.67; F. G. Nixon, \$606.17; H. Pierson, \$925.94; H. C. Plackett, \$494.23; J. R. Robertson, \$673.61; E. F. Smith, \$514.91; C. W. Thomas, \$622.67; H. J. Williamson, \$334.67; L. J. Wilson, \$995.67; W. H. D. Wilson, \$1,051.71; J. R. Wright, \$702.98; W. E. Wright, \$907.94; S. O. Zimmerman, \$1,011.92.
- E F Bell Telephone Company, \$5,824.82; Canadian National Telegraphs, \$67,016.65; Canadian Pacific Telegraphs, \$84,491.31.
- G H Canadian General Electric Co., Ottawa, \$7,034.81; Four Wheel Drive Auto Co. Ltd., Kitchener, \$9,139.77; General Supply Company of Canada, Ltd., Ottawa, \$10,005.16; Imperial Oil Limited, \$18,274.80; International Harvester Company of Canada, Limited, \$15,301.40; Sicard Limitée, Montreal, \$35,539.13; Celestin Simard, Montreal, \$13,338.81; Trans-Canada Air Lines, Winnipeg, \$9,760.08.
- I Calgary Power Company Ltd., \$5,084.54; Montreal Light, Heat and Power, \$8,163.32.
- J Canadian National Railways, \$6,770.05; Canadian Pacific Railway, \$4,304.68.

Vote 368 Grants for advanced aeronautical instructions, and to Aeroplane Clubs, including grant of \$5,000 to Canadian Flying Clubs Association

Expenditures	13,000 00
Lapsed	7,200 00
	<u>\$ 5,800 00</u>

Comments on Expenditures

Payments were made as follows: Brant-Norfolk Aero Club, \$100; Aero Club of British Columbia, \$100; Border Cities Aero Club, \$100; Calgary Aero Club, \$100; Canadian Flying Clubs Association, \$5,000; Edmonton and Northern Alberta Aero Club, \$100; Halifax Aero Club, \$100; Hamilton Aero Club, \$100; Flying Club of Kingston, \$100; Kitchener-Waterloo Flying Club Inc., \$100; Moncton Flying Club Ltd., \$100; Montreal Light Aeroplane Club, \$100; Ottawa Flying Club Inc., \$100; Regina Flying Club, \$100; St. Catharines Flying Club, Ltd., \$100; Saskatoon Flying Club, \$100; Toronto Flying Club, Ltd., \$100; University of Manitoba, \$500; Winnipeg Flying Club Ltd., \$100.

Vote 369	Contributions to assist Municipalities to improve existing airports, or to provide new airports, and for direct construction works on municipal or government airports serving municipalities, the sites of which have been provided by such municipalities	274,500 00
	Expenditures	260,032 90
	Lapsed	\$ 14,467 10

Comments on Expenditures

Normally, grants are made on the basis of \$1.00 for every \$3.00 which has been expended by the municipalities in the creation of their airport facilities, including buildings. In certain cases, however, where improved airport facilities are urgently needed and where the municipality is financially unable to undertake its share of the expense, the grant has been increased. Payments of \$5,000 or over were: Canadian Bitumuls Co., Ltd., Leaside, Ont., \$16,493.51; Canadian Westinghouse Co., Ltd., Hamilton, \$7,798.95; Central Construction Co., Ltd., London, Ont., \$10,492.69 (disbursed by the Department as the Company made an assignment as of February 17, 1941, Order in Council P.C. 3096 dated April 20, 1942); Crown Paving and Construction Co., Ltd., Edmonton, \$25,197.88; Godson Contracting Co., Toronto, \$92,589.01; Imperial Oil Limited, \$11,422.71; Johnson Bros. Co., Ltd., Brantford, \$7,000; Richmond Municipality, B.C., \$9,998.27; Tomlinson Construction Co., Ltd., Toronto, \$57,065.05.

The following airports received benefits: Edmonton, London, Malton, Regina, Vancouver, Williams Lake, Winnipeg.

Vote 370	Meteorological Service including an allowance of \$400 to L. F. Gorman, Observer at Ottawa	388,040 00
Vote *420	Cost of Living Bonus	975 64
	Expenditures	389,015 64
	Lapsed	\$ 372,359 45
		\$ 16,656 19

	Estimates details	Allotments authorized	Expenditures
A Salaries	214,815 00	212,248 64	212,248 64
B Telegrams, telephones and teletype	91,000 00	85,000 00	80,087 60
C Printing and stationery	25,000 00	34,000 00	27,124 71
D Travelling expenses	7,000 00	6,000 00	5,128 61
E Materials, supplies and equipment	12,000 00	15,500 00	14,378 62
F Upper air observations	12,000 00	10,000 00	9,599 29
G Weather observations by contract	14,083 00	16,125 00	14,773 83
H Sundries	12,142 00	10,142 00	9,018 15
	\$ 388,040 00	\$ 389,015 64	\$ 372,359 45

* Supplementary vote.

AUDITOR GENERAL'S REPORT

Comments on Expenditures

- A** As of March 31, 1942, there were 517 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. Patterson, controller, \$5,520; C. C. Boughner, \$2,880; E. B. Chilcott, \$2,880; A. F. Chisholm, \$3,240; A. J. Connor, \$4,020; R. C. Jacobsen, \$2,820; K. B. Knox, \$2,760; A. E. Manning, \$2,400; W. E. K. Middleton, \$3,240; F. G. Millar, \$2,880; J. R. H. Noble, \$2,700; F. A. O'Donnell, \$4,020; A. Thomson, \$4,320; W. A. Thorn, \$3,180; H. P. Troop, \$2,760; W. E. Turnbull, \$2,700.
- B** Payments in excess of \$5,000 were: Canadian National Telegraphs, \$45,154.18; Canadian Pacific Telegraphs, \$21,870.81; postage amounting to \$2,615.62 was charged to this allotment.
- D** Travelling expenses of \$300 or over were: A. J. Connor, \$320.29; J. A. McPherson, \$1,304.16; J. Patterson, \$869.75; A. Thomson, \$306.38.
- F** Weather observations undertaken and reported on by the Edmonton and Northern Alberta Aero Club and the Toronto Flying Club.
- H** Express charges, rentals and other incidental expenses.

Vote 371 Grant to Kingston Observatory	500 00
Expenditures	\$ 500 00

Comments on Expenditures

This amount was paid as an annual grant to Kingston Observatory at Queen's University for scientific investigations.

Vote 372 Administration of Radiotelegraph Act and Regulations	128,600 00
Expenditures	123,769 02
Lapsed	\$ 4,830 98

	Estimates details	Allotments authorized	Expenditures
A Salaries	99,400 00	98,400 00	96,905 36
B Travelling expenses	12,000 00	11,000 00	8,883 37
C Printing and stationery	7,000 00	13,000 00	12,999 69
D Materials and supplies	2,700 00	2,700 00	2,339 27
E Telegrams and telephones	1,000 00	1,000 00	993 76
F Sundries	6,500 00	2,500 00	1,647 57
	\$ 128,600 00	\$ 128,600 00	\$ 123,769 02

Comments on Expenditures

- A** As of March 31, 1942, there were 53 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): W. A. Rush, controller of radio service, \$5,220; C. J. Acton, \$2,880; J. W. L. Bain, \$4,020; E. G. Bennett, \$3,600; G. C. W. Browne, \$3,879.96; W. R. Butler, \$2,460 (May 31); W. A. Caton, \$3,240; W. E. Connelly, \$3,000; A. N. Fraser, \$4,020; J. A. Holmes, \$3,960; G. C. Pinhey, \$2,400; H. C. Risteen, \$2,700; P. G. Valois, \$3,480.
- B** Travelling expenses over \$300 were: J. R. Brister, \$535.40; J. H. Dezil, \$351.75; J. A. Gervais, \$463.58; G. Gooding, \$693.45; B. Irvine, \$381.26; R. P. Matton, \$452.53; S. A. McLean, \$318.94; J. L. Messier, \$300.11; J. H. Sinclair, \$411.81; A. G. W. Young, \$317.95.

DEPARTMENT OF TRANSPORT

407

Vote 373	Radio direction finding stations, radio beacons and radiotelegraph stations—operation and maintenance	626,729 00
Vote *420	Cost of Living Bonus	11,517 79

Expenditures	638,246 79
	626,836 16

Lapsed	\$ 11,410 63
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	Estimates details	Allotments authorized	Expenditures
A Salaries	313,115 00	320,132 79	320,132 79
B Overtime (Radio Operators)	8,000 00	7,400 00	7,365 17
C Allowances	17,591 00	15,991 00	15,770 20
D Materials and supplies	76,123 00	84,073 00	76,317 40
E Printing and stationery	8,000 00	4,000 00	3,878 11
F Travelling expenses	14,000 00	12,400 00	12,399 01
G Telegrams and telephones	5,000 00	5,500 00	5,490 98
H Repairs to buildings and equipment	24,100 00	24,100 00	21,776 15
I Freight, express and cartage	5,000 00	3,850 00	3,830 68
J Contracts	148,800 00	152,800 00	152,006 48
K Sundries	7,000 00	8,000 00	7,869 19
	\$ 626,729 00	\$ 638,246 79	\$ 626,836 16

Comments on Expenditures

A B C As of March 31, 1942, there were 171 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over at that date or at date of separation (shown in brackets): A. Sutherland, divisional superintendent, \$3,840; J. H. T. Arial, \$2,880; C. A. Bambrick, \$2,480; W. J. Bowerman, \$3,210; H. H. Brannen, \$2,580; J. M. Colton, \$3,360; S. J. Ellis, \$3,360; G. Gilbert, \$2,580; A. L. Gray, \$2,580; J. E. Harker, \$2,580; G. F. Harris, \$2,880; E. D. Hayman, \$3,060; W. Howard, \$2,850; T. L. Hughes, \$2,520; W. E. McLean, \$2,400; W. J. Moore, \$2,580; G. W. Robertson, \$2,580; L. W. Stephenson, \$2,700; J. A. Yearwood, \$2,580.

D H I Payments over \$5,000: Canadian Marconi Co. Ltd., \$9,734.99; Northern Transportation Co. Ltd., Edmonton, \$6,448.82.

F Travelling expense payments of \$300 or over were: W. J. Bowerman, \$540.16; C. E. Bowes, \$300; L. B. Crow, \$515.35; C. R. Lake, \$620.80; H. H. McLean, \$658.70; J. A. McLean, \$552.80; T. G. Slinn, \$559.65; C. S. Taylor, \$436.72; S. A. Woods, \$362.91.

J The Canadian Marconi Co. operates certain East Coast and Great Lakes radio stations. Under terms of the agreement, the Department reimburses the Company for direct operating expenses plus an additional 27½ per cent to cover overhead expenses plus 10 per cent for profit. The amount of revenue accruing to the Company at such stations, from traffic or any other source, is to be deducted from the amount payable to the Company. The Company was paid \$133,403.92, on account of the operation of the stations for the fiscal year 1941-42, and \$15,002.56 as final payment under contract for the fiscal year 1940-41; sundry small contracts, \$3,600.

Vote 374	Suppression of local electrical interferences	150,000 00
	Expenditures	139,774 21

Lapsed	\$ 10,225 79
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Supplementary Vote.

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries	111,972 50	112,000 00	109,741 87
B Materials, supplies and equipment	11,532 50	20,000 00	17,341 59
C Printing and stationery	2,100 00	3,000 00	1,788 17
D Travelling expenses	17,660 00	10,000 00	7,109 56
E Sundries	6,735 00	5,000 00	3,793 02
	<u>\$ 150,000 00</u>	<u>\$ 150,000 00</u>	<u>\$ 139,774 21</u>

Comments on Expenditures

- A As of March 31, 1942, there were 54 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): H. O. Merriman, senior radio engineer, \$4,020; R. Ainslie, \$2,880; A. Aveling, \$2,580; R. L. Bunt, \$2,580; G. Gray, \$2,880; B. Irvine, \$2,580; S. C. Jackson, \$2,220 (Jan. 1); A. T. Lawton, \$2,880; V. B. McOrmond, \$2,580; T. J. Nolan, \$2,580; W. R. Pottle, \$2,880; H. D. Tee, \$2,580.
- D Travelling expenses of \$300 or over were: A. E. Axcell, \$547.85; V. J. R. Brister, \$477.82; J. N. H. Dezil, \$463.04; B. Irvine, \$489.62; H. O. Merriman, \$713.34.

Vote 375	Issue of radio receiving licences—(Transport Department only)	156,406 00
Vote *420	Cost of Living Bonus	7,761 20
Vote 67	Salaries, Reclassifications and Increases	7,131 19
		<u>171,298 39</u>
	Expenditures	<u>168,065 12</u>
	Lapsed	<u><u>\$ 3,233 27</u></u>

	Estimates details	Allotments authorized	Expenditures
A Salaries	110,115 00	125,007 39	125,007 39
B Printing and stationery	23,383 00	25,111 00	22,248 22
C Postage	7,000 00	5,000 00	4,979 09
D Rental of equipment and servicing	10,368 00	10,440 00	10,440 00
E Sundries	5,540 00	5,740 00	5,390 42
	<u>\$ 156,406 00</u>	<u>\$ 171,298 39</u>	<u>\$ 168,065 12</u>

Comments on Expenditures

It is provided under Section 14 (a) of the Canadian Broadcasting Act of 1936 that the moneys received from licence fees in respect of private receiving licences and private station broadcasting licences, less the cost of collection and administration as determined by the Minister, shall be deposited to the credit of the Canadian Broadcasting Corporation. The net revenue for the year, before deducting cost of collections, amounted to \$3,682,808.44. The cost of collection for the year 1941-42 as determined, amounting to \$197,476.52 which includes the total of the expenditures under this vote, was deposited to the credit of the Receiver General as revenue of the Department of Transport.

- A As of March 31, 1942, there were 119 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): B. A. Biron, chief clerk, \$3,720; W. A. Garland, \$3,000; V. W. Irish, \$3,000.
- D Machines were rented from Remington Rand Limited, Toronto, at a cost of \$10,440.

*Supplementary Vote.

Exchequer Court Award—Exchequer Court Act c. 34, R.S......\$ **687 65**

A. Mastroguiseppe was paid \$472.65 and his costs of action, fixed at \$215, were paid to E. Brais.

CANALS SERVICE

Vote 376 Canals Service Administration **37,810 00**
Expenditures **33,934 71**
Lapsed\$ **3,875 29**

	Estimates details	Allotments authorized	Expenditures
A Salaries	34,210 00	34,210 00	31,286 12
B Printing and stationery	1,000 00	1,000 00	618 83
C Travelling expenses	1,000 00	1,000 00	936 62
D Telegrams and telephones	1,200 00	1,200 00	946 01
E Sundries	400 00	400 00	147 13
	<u>\$ 37,810 00</u>	<u>\$ 37,810 00</u>	<u>\$ 33,934 71</u>

Comments on Expenditures

- A As of March 31, 1942, there were 9 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): E. B. Jost, general superintendent of canals, \$7,420; V. L. Lawson, \$3,000; W. S. McDonald, \$2,700; K. F. Mickleborough, \$4,920; S. H. Pepler, \$2,460 (Aug. 4); J. H. Ramsay, \$4,920.
- C Travelling expenses over \$300: E. B. Jost, \$599.95.

Vote 377 Canals—Operation and Maintenance **2,213,669 00**
Expenditures **2,179,346 08**
Lapsed\$ **34,322 92**

	Estimates details	Allotments authorized	Expenditures
A Salaries	1,794,029 63	1,816,052 24	1,815,707 66
B Allowances	8,025 00	11,153 22	11,153 22
C Travelling expenses	19,980 00	19,980 00	15,464 36
D Printing and stationery	7,958 00	7,958 00	5,834 71
E Materials and supplies	253,279 65	234,028 82	208,485 96
F Contracts and agreements	70,575 00	70,575 00	69,813 93
G Sundries	59,821 72	53,921 72	52,886 24
	<u>\$2,213,669 00</u>	<u>\$2,213,669 00</u>	<u>\$2,179,346 08</u>

Comments on Expenditures

- A As of March 31, 1942, there were 805 employees paid from this vote (employees paid at hourly rates not included). The following were receiving annual salaries of \$2,400 or over on that date: M. B. Atkinson, \$4,500; R. J. Barbeau, \$3,000; J. Barcelo, \$4,620; L. Beaulac, \$2,520; J. N. Betournay, \$3,300; J. A. Brennan, \$2,520; R. J. Burnside, \$2,700; A. W. L. Butler, \$3,420; F. P. Cooper, \$2,460; V. R. Currie, \$2,700; P. A. Desforges, \$2,400; A. M. Elliott, \$2,400; C. N. Geale, \$3,060; L. D. Hara, \$4,620; A. L. Killaly, \$4,620; E. C. Little, \$3,780; J. S. MacLeod, \$3,240; J. B. McAndrew, \$3,420; L. McCourt, \$2,700;

D. J. McCready, \$2,400; H. L. McInnes, \$4,140; J. C. Moyer, \$3,420; A. H. Parker, \$3,300; D. Renaud, \$2,700; T. J. L. Ryan, \$3,180; J. B. O. Saint-Laurent, \$3,300; E. C. Shurly, \$3,420; J. L. Thauvette, \$2,640; C. W. West, \$5,220; A. R. Whittier, \$3,960; J. Wiggins, \$2,400; A. N. Wilcox, \$2,700.

C Travelling expense payments over \$300 were: H. Clarke, \$349.31; R. Dorais, \$321.92; V. Dupuis, \$496.33; G. Hamel, \$344.75; L. D. Hara, \$408.54; C. Jones, \$397.73; A. L. Killaly, \$678.65; R. L'Heureux, \$428.09; E. C. Little, \$413.12; H. L. McInnes, \$383.96; D. E. O'Brien, \$507.59; S. C. O'Connor, \$317.52; A. H. Parker, \$551.41; E. B. Roberts, \$429; E. C. Shurly, \$423.14; J. L. Thauvette, \$430.31; R. R. Tyler, \$329.63; C. W. West, \$707.83; A. R. Whittier, \$688.38; J. Wiggins, \$422.67; A. N. Wilcox, \$479.10.

D The greater part of the printing and stationery was purchased through the Department of Transport Stores Account.

E F G Payments of \$5,000 or over were: Bell Telephone Company, \$7,490.77; Canadian National Railways, \$45,267.80; Hydro Electric Power Commission of Ontario, \$5,502.34; St. Lawrence Power Co., Ltd., \$30,096.67.

In accordance with Order in Council, P.C. 601 of January 26, 1942, payments of \$498.51 were made in respect to damages by flooding to goods and chattels of various persons in the Township of Thorold, Ontario.

A summary of the expenditures of this vote by canals follows:—Quebec Canals: Head Office and Dredge Vessels, \$76,117.19; Carillon and Grenville, \$69,304.85; Chambly, \$71,050.39; Hungry Bay Dyke, \$2,306.44; Lachine, \$326,997.24; Ste. Anne's Lock, \$10,772.11; St. Ours Lock, \$9,089.02; Soulanges, \$146,615.58; Ontario: St. Lawrence Canals, Headquarters, \$45,758.26; Cornwall, \$173,508.73; St. Peter's, \$11,103.40; Williamsburg, \$87,939.82; Rideau and Dredge Vessels, \$167,300.23; Murray, \$12,004.20; Trent, \$216,685.49; Welland, \$698,709.95; Sault Ste. Marie, \$54,083.28.

Vote 378 Canals—Improvements	172,600 00
Vote 525 Further amount required	52,560 00
	225,160 00
Expenditures	117,636 62
Lapsed	\$ 107,523 38

	Estimates details	Allotments authorized	Expenditures
A Temporary assistance and wages	70,308 00	70,308 00	53,838 59
B Travelling expenses	1,285 00	1,285 00	1,015 82
C Contributions	4,500 00	4,500 00	
D Materials, supplies and equipment	66,835 00	66,835 00	44,622 02
E Contracts and agreements	64,232 00	64,232 00	10,269 56
F Acquisition of land	9,625 00	9,625 00	5,000 00
G Sundries	8,375 00	8,375 00	2,890 63
	\$ 225,160 00	\$ 225,160 00	\$ 117,636 62

Purpose for which Vote was provided

Replacement and the general improvement of canal properties including demolition and reconstruction work, repairs to concrete in canal structures, purchase of land, building of scows, etc.

Comments on Expenditures

B Travelling expenses over \$300 were: R. J. Burnside, \$453.47.

D The greater part of the materials and supplies was purchased through the Department of Transport Stores Account.

E A payment of \$9,900 was made to Miron and Frères, Pont Viau, Quebec, for the demolition and disposal of the west portion of the central pier at the site of the former Wellington Bridge, Montreal, Lachine Canal.

F A purchase of land at the rear of the Welland Centre Dock was made from the Plymouth Cordage Company for \$5,000.

A summary of the expenditures by canals follows:—Quebec Canals: Carillon and Grenville, \$11,866; Chambly, \$1,725.13; Lachine, \$9,900; Ontario Canals: Cornwall, \$12,596.79; Williamsburg, \$1,000; Rideau, \$4,641; Trent, \$39,756.28; Welland, \$36,151.42.

Vote 411 Settlement of the claims of T. C. Gorman Construction Company, Limited, in connection with Contract No. 31659 of December 28, 1939, for the construction of the Jacques Cartier Bridge at Valleyfield, Quebec (Special)	
Expenditures	4,900 00
Lapsed	\$ 949 00

Comments on Expenditures

T. C. Gorman Construction Company, Limited, Montreal, was paid \$3,951 in settlement of additional cost of construction of the bridge over the Old Beauharnois Canal at Valleyfield, Quebec, Order in Council, P.C. 5048 of July 9, 1941.

Vote 379 Expenses in connection with St. Lawrence Ship Canal Surveys and Investigations	
	3,000 00
Vote 526 Further amount required	
	23,000 00
Expenditures	26,000 00
	10,298 56
Lapsed	\$ 15,701 44

	Estimates details	Allotments authorized	Expenditures
Temporary assistance and wages	7,100 00	7,100 00	3,060 00
Printing and stationery	10,000 00	10,000 00	46 02
Travelling expenses	6,400 00	6,400 00	6,189 04
Materials and supplies	500 00	500 00	
Sundries	2,000 00	2,000 00	1,003 50
	\$ 26,000 00	\$ 26,000 00	\$ 10,298 56

Comments on Expenditures

As of March 31, 1942, one employee paid from this vote received over \$2,400, L. R. Stratton, \$3,060.

Travelling expense payments over \$300 were: Dr. O. O. Lefebvre, \$658.18; G. A. Lindsay, \$1,245.84; T. R. Moore, \$1,218.39; L. R. Stratton, \$1,742.61.

A payment of \$414.55 was made to the Royal St. Lawrence Yacht Club, Montreal, for the cost of a dinner given at the club during the tour of the St. Lawrence River by the Rivers and Harbours Committee of the United States House of Representatives and was approved by Treasury Board Minute T 211335 B of August 28, 1941.

AUDITOR GENERAL'S REPORT

Vote 380 *Flow measurements and other expenses connected with the Department's supervision and control over the hydro-electric power development of the Beauharnois Light, Heat and Power Company, Limited* **3,000 00**
Expenditures **690 73**

Lapsed \$ **2,309 27**

	Estimates details	Allotments authorized	Expenditures
A Temporary assistance	500 00	500 00	93 13
B Travelling expenses	1,500 00	1,500 00	577 41
C Materials, supplies and equipment	500 00	500 00	1 00
D Sundries	500 00	500 00	19 19
	<u>\$ 3,000 00</u>	<u>\$ 3,000 00</u>	<u>\$ 690 73</u>

Comments on Expenditures

B Payments over \$100 were as follows: P. E. Brunelle, \$225.32; J. Morin, \$180.70.

MARINE SERVICE

Vote 381 *Marine Service Administration* **16,675 00**
Expenditures **14,943 49**

Lapsed \$ **1,731 51**

	Estimates details	Allotments authorized	Expenditures
A Salaries	15,375 00	15,375 00	14,233 56
B Printing and stationery	500 00	500 00	170 21
C Sundries	800 00	800 00	539 72
	<u>\$ 16,675 00</u>	<u>\$ 16,675 00</u>	<u>\$ 14,943 49</u>

Comments on Expenditures

A As of March 31, 1942, there were 4 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. G. MacPhail, director of marine services, \$7,500; N. H. M. Frerichs, \$3,000.

Vote 382 *Administration of Floating Equipment* **21,915 00**
Expenditures **17,314 43**

Lapsed \$ **4,600 57**

	Estimates details	Allotments authorized	Expenditure
A Salaries	15,615 00	15,615 00	12,861 57
B Telegrams and telephones	1,800 00	3,150 00	2,616 57
C Travelling expenses	3,000 00	2,550 00	1,593 43
D Sundries	1,500 00	600 00	242 86
	<u>\$ 21,915 00</u>	<u>\$ 21,915 00</u>	<u>\$ 17,314 43</u>

Comments on Expenditures

- A As of March 31, 1942, there were 6 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): D. P. McKeown, \$3,000; A. Taylor, \$3,120; A. Watson, \$3,360.
- C Travelling expenses over \$300 were: A. Watson, \$1,265.44.

Vote 383	Nautical Service Administration	29,520 00
Vote *420	Cost of Living Bonus	502 77
		<hr/>
	Expenditures	30,022 77
		29,668 22
		<hr/>
	Lapsed	\$ 354 55
		<hr/>

	Estimates details	Allotments authorized	Expenditures
A Salaries	28,020 00	28,522 77	28,522 77
B Printing and stationery	500 00	900 00	856 33
C Sundries including telephones and tele- grams and travelling expenses	1,000 00	600 00	289 12
	<hr/>	<hr/>	<hr/>
	\$ 29,520 00	\$ 30,022 77	\$ 29,668 22
	<hr/>	<hr/>	<hr/>

Comments on Expenditures

- A As of March 31, 1942, there were 12 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: M. E. Blyth, \$3,000; J. W. Kerr, \$5,220; M. J. L. Talbot, \$3,300; R. F. Leslie, \$3,000.

Vote 384	Marine Service Steamers including Icebreakers—maintenance, operation and repairs	1,247,000 00
Vote 527	Further amount required	15,000 00
		<hr/>
	Expenditures	1,262,000 00
		1,099,275 54
		<hr/>
	Lapsed	\$ 162,724 46
		<hr/>

	Estimates details	Allotments authorized	Expenditures
Temporary assistance	637,440 00	506,640 00	477,668 51
Fuel	300,310 00	318,310 00	268,098 17
Materials and supplies	91,700 00	91,700 00	75,513 83
Repairs	206,550 00	199,550 00	147,336 49
Printing and stationery	800 00	800 00	607 69
Travelling expenses	1,900 00	1,900 00	1,900 80
Sundries	23,300 00	23,300 00	15,675 07
Allowances		119,800 00	112,474 98
	<hr/>	<hr/>	<hr/>
	\$1,262,000 00	\$1,262,000 00	\$1,099,275 54
	<hr/>	<hr/>	<hr/>

Supplementary vote.

Comments on Expenditures

A As of March 31, 1942, there were 538 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: W. J. Balcolm, \$3,000; O. Mercier, \$2,400.

B The greater part of the fuel was purchased through the Stores Account.

B C D G H Payments in excess of \$5,000 were made to the following firms: Burns & Co., Ltd., Prince Rupert, *Alberni*, \$4,292.73; *Birnie*, \$1,080.89; *Estevan*, \$947.77; Canadian National Railways, *Alberni*, \$4,770.51; *Birnie*, \$798; *Saurel*, \$7,868.59; Canadian Vickers Ltd., Montreal, *Saurel*, \$7,118.60; Davie Shipbuilding & Repairing Co. Ltd., Lauzon, *Ernest Lapointe*, \$18,131.75; *N. B. McLean*, \$14,371.73; Dominion Bridge Co. Ltd., Montreal, *Lady Grey*, \$7,510; Halifax Shipyards Ltd., Halifax, *Lady Laurier*, \$23,334.08; *Laurentian*, \$185; *Montcalm*, \$171; *Ocean Eagle*, \$1,315.50; *Saurel*, \$360; Imperial Oil Ltd., *Ernest Lapointe*, \$7,292.45; *N. B. McLean*, \$48,773.29; *Saurel*, \$17,835.87; Marine Industries Ltd., Sorel, *Argenteuil*, \$2,927; *Lady Laurier*, \$1,469; *Safeguarder*, \$6,160; Morton Engineering & Dry Dock Co., Ltd., Quebec, *Druid*, \$5,851; *Lady Grey*, \$1,694; McColl Frontenac Oil Co., *Ernest Lapointe*, \$2,858.48; *N. B. McLean*, \$10,311.14; Pacific Meat Market, Vancouver, *Berens*, \$1,096.39; *Estevan*, \$4,034.48; Pictou Foundry & Machine Co., Ltd., Pictou, *Brant*, \$9,857.93; St. John Iron Works Ltd., St. John, *Dollard*, \$9,456.70; *Laurentian*, \$778.85; Yarrows Ltd., Victoria, *Estevan*, \$6,281.85.

A summary of the expenditures under this vote follows: *Alberni*, \$58,756.86; *Argenteuil*, \$27,121.16; *Berens*, \$18,168.44; *Bernier*, \$35,958.59; *Birnie*, \$14,753.41; *Brant*, \$37,970.72; *Dollard*, \$93,612.52; *Druid*, \$32,432.11; *Ernest Lapointe*, \$44,776.99; *Estevan*, \$78,421.67; *Francois C.*, \$14,310.92; *Grenville*, \$33,123.40; *Lady Laurier*, \$106,632.33; *Lanoraie*, \$27,244.03; *Laurentian*, \$31,661.76; Launch at Halifax, \$1,859.96; *Montcalm*, \$60,832.34; *N. B. McLean*, \$98,632.28; *Ocean Eagle*, \$41,228.21; *St. Heliers*, \$49,281.50; *Safeguarder*, \$67,749.39; *Saurel*, \$109,948.41; Coal Barge No. 6, \$25; Seasonal Vessels, \$11,535.31; General Account, \$3,238.23.

Vote 413 Completion of a combination Icebreaker and Service Vessel
(Capital)

80,000 00

Expenditures 71,258 23

Lapsed\$ 8,741 77

Comments on Expenditures

A contract was let to the Davie Shipbuilding and Repairing Co., Ltd., Lauzon, at a cost of \$670,000. Extras to the amount of \$21,955 were authorized by P.C. 850 dated February 5, 1941. Payment of contract was made as follows: 1939-40, \$536,000; 1940-41, \$88,955; 1941-42, \$65,000, (a deduction of \$1,500 was made for non-installation of lathe). Sundry other expenditures not included in contract were: Davie Shipbuilding and Repairing Co. Ltd. Lauzon, \$4,933.23; T. W. Duguid, salary as inspector, \$825.

Vote 385 Construction, Maintenance and Supervision of Aids to Navigation, including salaries and allowances to Lightkeepers. 1,802,560 00

Vote 528 Further amount required 40,000 00

Vote *420 Cost of Living Bonus 1,297 59

1,843,857 59
Expenditures 1,802,308 29

Lapsed\$ 41,549 30

* Supplementary Vote.

DEPARTMENT OF TRANSPORT

415

	Estimates details	Allotments authorized	Expenditures
A Salaries and wages	1,225,630 00	1,227,427 59	1,227,427 59
B Allowances (Board on Lightships)	9,500 00	9,500 00	8,285 63
C Printing and stationery	5,500 00	7,500 00	4,608 18
D Travelling expenses	12,300 00	14,900 00	14,854 87
E Materials, supplies and equipment	315,500 00	310,500 00	304,636 16
F Repairs to lightships	20,000 00	20,900 00	10,630 45
G Improvements, replacements and repairs ..	130,000 00	126,500 00	120,876 70
H Contracts (Buoy Maintenance)	51,460 00	51,460 00	50,288 96
I Sundries	72,670 00	75,170 00	60,699 75
	<u>\$1,842,560 00</u>	<u>\$1,843,857 59</u>	<u>\$1,802,308 29</u>

Comments on Expenditures

A As of March 31, 1942, there were 1,738 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): H. V. Anderson, chief of aids to navigation, \$5,220; H. L. Aschah, \$2,640; H. M. Benson, \$2,640; A. W. Campbell, \$2,640; F. X. H. Charbonneau, \$2,700; W. Covey, \$2,640; W. F. Elliott, \$2,400; W. Fairweather, \$3,000; E. Fontaine, \$2,640; J. A. Hunting, \$3,060; A. W. Hurley, \$2,640; E. L. Jones, \$3,360; A. K. Laing, \$3,000; R. M. Lally, \$3,060; H. R. Lauder, \$2,640; T. Lohnes, \$2,640; E. K. MacNutt, \$3,360; J. J. Martell, \$2,640; W. A. Martell, \$2,640 (Oct. 1); J. J. McLean, \$3,360; P. M. McLennan, \$2,640; T. A. McNab, \$3,060; C. O. Mitchell, \$2,640; F. V. Moffet, \$3,360; W. A. Moore, \$2,940; F. G. Osborne, \$2,940 (Feb. 19); F. W. Osborne, \$2,640; J. E. Ouellette, \$2,940; A. Patry, \$2,640; J. M. Richard, \$2,580; G. M. Robertson, \$2,820; S. A. Robson, \$3,180; W. M. Snider, \$2,640; W. L. Stamford, \$3,360; T. T. Stephenson, \$2,640; W. C. Surtees, \$3,000; E. Thibault, \$2,520; C. G. Thomas, \$2,520; M. L. Thomas, \$3,060; J. D. Weir, \$3,360; D. M. Wilson, \$2,640; N. Wilson, \$3,900; T. G. Wyatt, \$2,640.

C E The greater part of printing and stationery and materials and supplies was purchased through the Department of Transport Stores Account. Marine Industries, Ltd., Sorel, was paid \$5,170 for repairs to buoys.

D Travelling expense payments of \$300 or over were: H. V. Anderson, \$1,756.92; J. N. Arthurs, \$953.25; J. T. Burns, \$552.16; H. B. Kendrick, \$411.73; A. K. Laing, \$603.84; M. Lamouraux, \$353.73; Lucien Leclaire, \$534.71; J. A. Legere, \$812.98; J. J. McLean, \$566.93; T. H. Phillips, \$653.77; H. E. Poland, \$305.13; A. C. Short, \$406.71; J. D. Weir, \$1,653.07.

F C H Payments over \$5,000 were: Halifax Shipyards Ltd., Halifax, repairs and replacements to Halifax Lightship, \$7,783, Sambro Lightship, \$976.05; J. P. Kelly, Halifax, erection of dwelling and fog alarm building at Cape North light station, Nova Scotia, contract price, \$11,000, payment on account, \$10,900, erection of reinforced concrete light-house tower and repairs to lightstation at Maugers Beach, Halifax Harbour, contract price \$24,000, payment on account, \$21,250; J. E. McQueen, Amherstburg, buoy contract, \$7,960.

A summary of the expenditure of this vote follows:—

General administration expenses	56,932 26
Construction expenses for improvements, replacements and repairs by agencies: Prince Edward Island, \$12,961.63; Nova Scotia, \$47,069.83; New Brunswick, \$4,384.99; Quebec, \$7,050.24; Montreal, \$19,999.29; Prescott, \$7,142.22; Parry Sound, \$5,114.83; Victoria, \$15,217.33; Prince Rupert, \$1,936.34.....	120,876 70
Maintenance and operation expenses including salaries of lightkeepers by agencies: Prince Edward Island, \$163,455.53; Nova Scotia, \$291,620.36; New Brunswick, \$189,597.51; Quebec, \$303,560.44; Montreal, \$200,634.51; Prescott, \$138,711.74; Parry Sound, \$147,080.75; Kenora, \$6,958.77; Selkirk, \$8,957.19; Victoria, \$120,084.91; Prince Rupert, \$48,193.72; North West Territories, \$5,643.90	1,624,499 33
	<u>\$1,802,308 29</u>

Vote 336	Agencies, salaries and office expenses	259,064 00
	Expenditures	254,081 91
	Lapsed	\$ 4,982 09

	Estimates details	Allotments authorized	Expenditures
A Salaries	230,067 00	230,692 00	229,779 15
B Printing and stationery	6,350 00	6,550 00	6,212 15
C Travelling expenses	1,897 00	1,847 00	974 16
D Telephones and telegrams	11,500 00	11,100 00	8,246 07
E Sundries	9,250 00	8,875 00	8,870 38
	\$ 259,064 00	\$ 259,064 00	\$ 254,081 91

Comments on Expenditures

A As of March 31, 1942, there were 138 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. M. Blouin, \$2,700; M. Brais, \$3,720; E. E. Clawson, \$3,720; G. B. Hall, \$2,400; G. E. Hartnell, \$2,700; C. H. Hosterman, \$3,900; B. J. Kaine, \$4,320; J. M. Lamb, \$2,940; M. Lamoureux, \$2,820; J. A. Leger, \$3,360; F. J. Maguire, \$2,700; W. J. Manning, \$2,940; G. J. Morin, \$2,700; H. F. Morrissey, \$3,720; W. R. Peterson, \$2,400; L. Robidoux, \$2,400; J. H. J. Robitaille, \$2,700; J. C. Theakston, \$2,700; A. T. Thompson, \$3,360; R. A. Wiallard, \$3,720; A. W. R. Wilby, \$3,720.

A summary of the expenditures of this vote by agencies follows: Administration, \$1,777.04; Prince Edward Island, \$20,706.88; Nova Scotia, \$35,425.18; New Brunswick, \$33,036.44; Quebec, \$59,863.11; Montreal, \$24,382.14; Prescott, \$21,638.82; Parry Sound, \$22,617.10; Victoria, \$21,682.30; Prince Rupert, \$12,952.90.

Vote 387	Maintenance and repairs to Wharves	5,000 00
	Expenditures	2,742 03
	Lapsed	\$ 2,257 97

	Estimates details	Allotments authorized	Expenditures
A Materials and supplies	2,000 00	2,000 00	739 17
B Travelling expenses	2,000 00	1,625 00	646 54
C Sundries	1,000 00	1,375 00	1,356 32
	\$ 5,000 00	\$ 5,000 00	\$ 2,742 03

Comments on Expenditures

Maintenance of public wharves under the control of the department and necessary minor repairs.

A Of the amount expended, \$548.36 was for purchases through the Stores Account.

B Payments over \$100 for travelling expenses were: J. N. Arthurs, \$150; J. J. McLean, \$150.83.

C This expenditure was incurred largely for maintenance and repair work.

Vote 388	Breaking Ice in Thunder Bay, Lake Superior, and other points deemed advisable in the interests of navigation	30,000 00
	Expenditures	\$ 30,000 00

Comments on Expenditures

Breaking ice before navigation opens in the spring and towards the close of navigation in the fall to permit the free movement of shipping. United Towing and Salvage Co., Ltd., Port Arthur, operated under a two year contract effective July 2, 1941, and was paid \$30,000.

Vote 389	Canada's share of the cost of the North Atlantic Ice Patrol	7,500 00
	Expenditures	1,423 02
	Lapsed	\$ 6,076 98

Comments on Expenditures

Canada's portion (3 per cent) of the cost of maintaining the international service of ice observation and ice patrol in the North Atlantic for 1941 which is under the management of the Government of the United States amounted to \$1,282. This amount was paid to the Secretary of the Treasury Department, Washington, D.C., in American funds at a premium of \$141.02.

According to the statement of the account rendered, the expenses to be shared were as follows: salaries and wages of personnel, \$26,018; maintenance and operation including supplies and contingent expenses, \$14,509; depreciation, \$1,217, and administration expenses, \$990.

Vote 390	Administration of Pilotage	194,600 00
Vote *420	Cost of Living Bonus	871 21
	Expenditures	195,471 21
	Lapsed	\$ 188,369 67
		\$ 7,101 54

	Estimates details	Allotments authorized	Expenditures
A. Salaries and wages	81,075 00	83,026 21	83,026 21
B Allowance for additional duties	1,740 00	1,740 00	1,200 00
C Board of pilots	2,200 00	2,260 00	2,258 95
D Printing and stationery	2,000 00	2,000 00	1,426 37
E Travelling expenses	2,000 00	2,475 00	2,467 53
F Telegrams and telephones	2,500 00	3,450 00	3,408 11
G Fuel and supplies	20,900 00	24,900 00	22,732 15
H Recoverable loan to pilots	65,000 00	65,000 00	65,000 00
I Repairs to vessels and buildings	10,000 00	4,515 00	3,145 19
J Sundries	7,185 00	6,105 00	3,705 16
	\$ 194,600 00	\$ 195,471 21	\$ 188,369 67

Purpose for which Vote was provided

Salaries and expenses in connection with the administration of pilotage for all services at Ottawa, Sydney, Halifax, Saint John, Father Point, Quebec, Montreal, Kingston and Vancouver.

Comments on Expenditures

A As of March 31, 1942, there were 26 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): C. Claxton, \$3,720; A. Hamel, \$2,520; N. Noel, \$3,000; J. R. O'Malley, \$2,640; C. L. Waterhouse, \$3,180.

E Travelling expense payments of \$300 or over were: A. W. Hilton, \$332.08; R. A. Wiallard, \$662.50.

* Supplementary Vote.

C H I J Payments amounting to \$5,000 or over were: Halifax Shipyards Limited, repairs to vessel, \$5,029.31; Imperial Oil Limited, fuel, oil, \$16,525.90; W. C. McKay & Sons, Ltd., Shelburne, N.S., building new pilot vessel, \$61,067.17.

In the pilotage districts of Sydney, Halifax and Saint John the by-laws, made under the Canada Shipping Act and approved by the Governor in Council, provide that the general district expenses including purchase, charter or hire of pilot boats and the maintenance, repair and operation of the same shall be the first charge on the pilots' earnings. In 1941-42, the following amounts were paid and recovered: Sydney, \$165,932.45; Halifax, \$426,548.71; Saint John, \$69,369.36.

Vote 391	Life Saving Service—including rewards for saving life.....	37,060 00
Vote 529	Further amount required	2,100 00
Vote *420	Cost of Living Bonus	2,526 94
		41,686 94
	Expenditures	38,562 36
	Lapsed	\$ 3,124 58

	Estimates details	Allotments authorized	Expenditures
A Temporary assistance	22,885 00	25,511 94	25,511 94
B Board	8,075 00	8,075 00	8,057 51
C Supplies and repairs	7,350 00	7,450 00	4,595 83
D Sundries	850 00	650 00	397 08
	\$ 39,160 00	\$ 41,686 94	\$ 38,562 36

Comments on Expenditures

A B C D Stations operated, the cost of which exceeded \$500 were:—New Brunswick: Bay-view, \$8,729.65; Little Wood Island, \$7,223.94; British Columbia: Banfield, \$9,585.74; Clayoquot, \$11,174.47; West Coast Trail, \$1,639.03.

Vote 392	Subsidies for wrecking plants—Quebec and British Columbia	45,000 00
	Expenditures	\$ 45,000 00

	Allotments authorized	Expenditures
A Quebec	30,000 00	30,000 00
B British Columbia	15,000 00	15,000 00
	\$ 45,000 00	\$ 45,000 00

Comments on Expenditures

Subsidies to two private wrecking plants to insure that sufficiently efficient plants were maintained to render prompt and effective aid to vessels in distress.

A Quebec Salvage and Wrecking Co., Ltd., Montreal, operated under a contract in force during the season of navigation of the year 1941 and was paid \$30,000.

B Pacific Salvage Co., Ltd., Victoria, operated under a ten year contract effective July 2, 1935, and was paid \$15,000.

* Supplementary vote.

Vote 393 *Grants of \$200 each to the Royal Arthur Sailors' Institutes at Port Arthur, Kingston and Toronto, which provide for medical assistance to and hospitalization for distressed seamen on the Great Lakes* 600 00

Expenditures\$ 600 00

Vote 394 *Miscellaneous services relating to navigation and shipping, including grants towards schools of navigation at Queen's University, \$500; Vancouver, B.C., \$1,350, and provision to settle claims by the Board of Trade, London, England, for expenses incurred in respect of Canadian distressed seamen of British ships registered out of Canada* 46,180 00

Expenditures 39,980 90

Lapsed\$ 6,199 10

	Estimates details	Allotments authorized	Expenditures
A Salaries	22,760 00	22,760 00	19,209 51
B Professional services	4,000 00	7,900 00	7,858 43
C Printing and stationery	4,730 00	3,850 00	2,758 41
D Travelling expenses	1,850 00	3,000 00	2,970 43
E Telegrams and telephones	350 00	1,080 00	1,077 19
F Materials, supplies and equipment	400 00	400 00	151 40
G Relief of distressed seamen	3,500 00	3,500 00	2,865 09
H Removal of obstructions	5,000 00	100 00	68 12
I Grants to schools of navigation	1,850 00	1,850 00	1,850 00
J Sundries	1,740 00	1,740 00	1,172 32
	<u>\$ 46,180 00</u>	<u>\$ 46,180 00</u>	<u>\$ 39,980 90</u>

Comments on Expenditures

A As of March 31, 1942, there were 13 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets); J. N. Arthurs, \$3,360; L. H. Lindsay, \$2,700; F. S. Slocombe, \$2,340 (Jan. 31).

D Payments over \$300 were: A. W. Hilton, \$726.39; R. F. Leslie, \$314.60; L. H. Lindsay, \$667.12; F. S. Slocombe, \$363.91.

Grants were paid as follows: Queen's University, Kingston, \$500; Department of Education, British Columbia, \$1,350.

A summary of expenditures by services follows: Examination of Masters and Mates, \$18,217.33; Schools of Navigation, \$6,170.41; Relief of Distressed Seamen, \$2,865.09; Investigation into Wrecks, \$9,407.27; Registry of Shipping, \$2,168.70; Inspection of Live Stock Shipments, \$1,083.98; Removal of Obstructions from Navigable Waters, \$68.12.

Vote 395 *Steamship inspection and the carrying out of the provisions of the conventions for the safety of life at sea and load lines* 205,325 00
Expenditures 194,206 27

Lapsed\$ 11,118 73

AUDITOR GENERAL'S REPORT

	Estimates details	Allotments authorized	Expenditures
A Salaries	173,925 00	170,925 00	164,441 56
B Printing and stationery	4,700 00	1,800 00	1,761 30
C Travelling expenses	22,000 00	25,000 00	21,091 36
D Telegrams and telephones	3,500 00	6,400 00	6,393 69
E Sundries	1,200 00	1,200 00	518 36
	<u>\$ 205,325 00</u>	<u>\$ 205,325 00</u>	<u>\$ 194,206 27</u>

Comments on Expenditures

- A As of March 31, 1942, there were 62 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): J. C. Beaudoin, \$3,420; S. Beckett, \$3,360; R. C. Blyth, \$3,840; R. G. Boomer, \$3,000; J. Brydon, \$3,360; J. W. Coulson, \$2,880; W. P. Craig, \$3,360; A. Cumine, \$3,180; C. E. Dalton, \$3,360; J. T. Edmond, \$3,360; P. H. Farmer, \$3,180; A. Farrow, \$3,360; J. D. Fergusson, \$2,760 (Dec. 11); J. H. Fontaine, \$3,660 (May 7); P. G. Gagnon, \$3,360; H. J. Kay, \$2,820; H. L. Lucas, \$3,000; P. W. Lyon, \$3,360; W. L. MacKenzie, \$3,360; B. Mantrop, \$3,360; J. T. Mathews, \$3,360; W. H. McClelland, \$3,180; J. McLachlan, \$2,880; C. C. McVey, \$3,420; J. J. Moffat, \$3,360; M. F. T. Munro, \$3,420; L. M. Murphy, \$3,360; D. Paterson, \$3,180; T. R. Ramage, \$3,000; W. L. Robertson, \$2,880; H. G. Robinson, \$3,360; A. I. Ross, \$3,660; J. A. Samson, \$3,360; E. M. Sleigh, \$3,360; A. J. Squire, \$2,760; T. M. Stephen, \$3,360; A. A. Stephens, \$3,000; T. Stewart, \$2,400; A. K. Venables, \$3,540; W. J. Vigers, \$3,360; E. D. Walker, \$3,360; F. A. Willsher, \$4,920; A. A. Young, \$3,840.
- C Travelling expenses of \$300 or over were: J. C. Beaudoin, \$566.72; S. Beckett, \$871.93; J. Brydon, \$560.57; J. W. Coulson, \$725.49; W. P. Craig, \$950.76; A. Cumine, \$1,194.34; A. Farrow, \$579.96; P. G. Gagnon, \$867.30; W. L. McKenzie, \$698.83; B. Mantrop, \$387.97; W. H. McClelland, \$1,825.76; C. C. McVey, \$351.47; J. J. Moffat, \$1,045.39; L. M. Murphy, \$436.40; D. Paterson, \$1,047.31; T. R. Ranger, \$653.53; W. L. Robertson, \$874.38; A. I. Ross, \$633.55; J. A. Samson, \$637.77; A. J. Squire, \$302.50; T. M. Stephen, \$477.92; E. D. Walker, \$794.75; F. A. Willsher, \$1,514.43; A. A. Young, \$501.41.

Vote 396 Marine Signal Service	92,960 00
Expenditures	83,207 55
Lapsed	\$ 9,752 45

	Estimates details	Allotments authorized	Expenditures
A Salaries and wages	57,370 00	55,670 00	50,255 30
B Telegrams and telephones	31,190 00	31,190 00	29,362 28
C Materials, supplies and equipment	1,850 00	1,750 00	956 42
D Repairs		1,100 00	753 73
E Sundries	2,550 00	3,250 00	1,879 82
	<u>\$ 92,960 00</u>	<u>\$ 92,960 00</u>	<u>\$ 83,207 55</u>

Comments on Expenditures

- A As of March 31, 1942, there were 45 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): F. A. O'Dowd, \$3,000; T. Robillard, \$3,000.
- B Payments in excess of \$5,000 were: Bell Telephone Company of Canada, \$13,179.97; Canadian National Telegraphs, \$11,294.83; postage amounting to \$158.58 was paid from this allotment.

Vote 397 River St. Lawrence Ship Channel—Contract Dredging in the St. Lawrence River and Montreal Harbour, including cost of administration (Capital)	
Expenditures	1,973,085 00
Lapsed	\$ 21,565 97

	Estimates details	Allotments authorized	Expenditures
A Salaries and wages	211,985 00	175,985 00	171,806 90
B Contract dredging	1,800,000 00	1,800,000 00	1,799,998 68
C Fuel	45,800 00	45,800 00	45,172 66
D Materials, supplies and equipment	25,000 00	25,000 00	24,233 09
E Repairs to plant and equipment	38,600 00	58,600 00	46,156 97
F Sundries	26,000 00	12,000 00	8,510 45
G Allowances		30,000 00	28,732 99
	2,147,385 00	2,147,385 00	2,124,611 74
Less amount chargeable to Vote 398, operation and maintenance	174,300 00	174,300 00	173,092 71
	<u>1,973,085 00</u>	<u>1,973,085 00</u>	<u>1,951,519 03</u>

Comments on Expenditures

- A** As of March 31, 1942, there were 98 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: J. E. St. Laurent, chief engineer, \$6,000; M. G. Boudreau, \$2,700; E. B. Cardin, \$3,600; H. W. Davy, \$4,020; F. S. Jones, \$4,800; P. L. Kuhring, \$3,720; H. L. Land, \$3,360; F. J. A. Old, \$2,700.
- B** Work under contract: Marine Industries Ltd, Montreal, \$1,799,998.68.
- C** The Imperial Oil, Ltd., was paid \$9,771.01 for bunker fuel oil. The balance of the expenditure was paid mainly through the Department of Transport Stores Account.
- D** These expenditures consisted mainly of purchases through the Department of Transport Stores Account.
- E** Marine Industries Ltd., Montreal, repairs to steamers and other craft, \$22,317.41.
- F** Includes laundry and towel service, \$2,317.47; travelling expenses of \$300 or over, E. B. Cardin, \$1,091.09; H. L. Land, \$355.15; J. E. St. Laurent, \$720.49.

Vote 412 River St. Lawrence Ship Channel—extension and improvement of Control Weirs (Capital)	
Expenditures	155,000 00
Lapsed	\$ 2 56

Comments on Expenditures

Work under contract, Dufresne Construction Co., Ltd., Montreal, \$153,292.75; the balance of the expenditures consisted of: wages and allowances, \$769.38; supplies and materials, \$122.76; travelling expenses, \$206.55; acquisition of land, \$225; compensation for damages, \$381.

Vote 398 River St. Lawrence Ship Channel—Operation and Maintenance, including any portion of contract dredging chargeable to maintenance	
Expenditures	174,300 00
Lapsed	\$ 1,207 29

AUDITOR GENERAL'S REPORT

Comments on Expenditures

These expenditures were charged in the first instance to Vote 397 and were subsequently transferred as a charge against this vote.

RAILWAY SERVICE

<i>Vote 399</i>	<i>Repairs and expenses in connection with the operation and maintenance of official railway cars under the jurisdiction of the Department</i>	<i>41,120 00</i>
<i>Vote *420</i>	<i>Cost of Living Bonus.....</i>	<i>666 96</i>
		<hr/> <i>41,786 96</i>
	<i>Expenditures</i>	<i>40,438 29</i>
	<i>Lapsed</i>	<hr/> <i>\$ 1,348 67</i>

	Estimates details	Allotments authorized	Expenditures
A Salaries	11,820 00	12,486 96	12,486 96
B Repairs to plant and equipment	23,300 00	26,300 00	26,235 32
C Supplies	2,000 00	2,000 00	903 84
D Sundries	4,000 00	1,000 00	812 17
	<hr/> \$ 41,120 00	<hr/> \$ 41,786 96	<hr/> \$ 40,438 29

Comments on Expenditures

A As of March 31, 1942, there were 7 employees paid from this vote. There were no employees receiving annual salaries of \$2,400 or over on that date.

BCD The Canadian National Railways was paid \$23,655.99 for repairs and supplies, etc., for the 5 official cars. Of this amount \$15,700 was paid on account of deferred maintenance charges in connection with the rehabilitation of the Governor General's cars for the visit of Their Majesties the King and Queen in 1939.

<i>Vote 400</i>	<i>Hudson Bay Railway—Construction and Improvements—</i>	
	<i>Capital</i>	<i>14,000 00</i>
	<i>Expenditures</i>	<i>4,517 18</i>
	<i>Lapsed</i>	<hr/> <i>\$ 9,482 82</i>

Comments on Expenditures

The payments cover expenditures on capital works carried out by the operating company, the Canadian National Railways.

<i>Vote 401</i>	<i>Hudson Bay Railway—Difference between expenditures for operation and maintenance, and revenue accruing from operation during the year ended March 31, 1942.....</i>	<i>350,000 00</i>
<i>Vote *443</i>	<i>Further amount required.....</i>	<i>110,000 00</i>
		<hr/> <i>460,000 00</i>
	<i>Expenditures</i>	<i>459,859 28</i>
	<i>Lapsed</i>	<hr/> <i>\$ 140 72</i>

* Supplementary Vote.

Comments on Expenditures

The Hudson Bay Railway is operated by the Canadian National Railways for the department and the votes were used to pay the current deficit in operation and maintenance. The net expenditures for the year amounted to \$635,568.29 and the operating revenues totalled \$175,709.01 resulting in a deficit of \$459,859.28.

Vote 402 Interest on rails rolled for Canadian National Railways—	
Payment of interest under the terms and conditions of	
Orders in Council P.C. 1462 and P.C. 1533 of June 7,	
1935, respecting orders of steel rails for the Canadian	
National Railways	
Expenditures	2,200 00
	175 08
Lapsed	\$ 2,024 92

Comments on Expenditures

The payment of \$175.08 represents the final amount of interest due the Algoma Steel Corporation Ltd., Sault Ste. Marie, on bank advances for the period from April 1 to April 15, 1941.

Vote 403 Maritime Freight Rates Act	
Expenditures	
	3,350,000 00
	3,072,978 27
Lapsed	\$ 277,021 73

Comments on Expenditures

The amount of \$3,072,978.27 was paid to the Canadian National Railway Company, being the difference occurring on account of the application of the Maritime Freight Rates Act between the tariff tolls and the normal tolls on all traffic moved during the calendar year 1941.

Vote 404 Maritime Freight Rates Act	
Expenditures	
	900,000 00
	862,198 93
Lapsed	\$ 37,801 07

Comments on Expenditures

Payments to companies, other than the Canadian National Railway Company, of the difference occurring on account of the application of the Maritime Freight Rates Act between the tariff tolls and the normal tolls on all traffic moved during the calendar year 1941 were made as follows: Canada and Gulf Terminal Railway Co., \$9,470.55; Canadian Pacific Railway Co., \$288,788.42; Cumberland Railway & Coal Co., \$32,525.24; Dominion Atlantic Railway Co., \$200,215.21; Maritime Coal, Railway & Power Co., \$28,022.65; Sydney & Louisburg Railway Co., \$280,065.05; Temiscouata Railway Co., \$23,111.81.

Railway Grade Crossing Fund, Railway Act, c. 170, R.S.	
Expenditures	
	25,100 99
	\$ 25,100 99

Purpose for which Appropriation was Provided

Payments of expenditures for the protection, safety and convenience of the public in respect of highway crossings of railways as authorized by the Board of Transport Commissioners for Canada.

Comments on Expenditures

On March 31, 1941, the balance available for future expenditures from the fund under the various statutory authorities which expired in 1938-39 and subsequent parliamentary appropriations was \$670,162.13. No further amounts were provided during the year. Payments of \$25,100.99 were charged to the amount available for future expenditures during the year and the balance remaining at March 31, 1942, was \$645,061.14.

Payments during the year were: Bala Town, Ontario, \$1,200; Canadian National Railways, \$11,237.73; Canadian Pacific Railway Co., \$11,700.42; Dominion Atlantic Railway Co., \$669.06; Eldon Township, Ontario, \$160; Highways Department, Nova Scotia, \$14.24; Toronto, Hamilton and Buffalo Railway Co., \$119.54.

<i>Vote 414 Discharge of commitments incurred prior to March 31, 1941, under the authority of Vote No. 456, Schedule "A" to the Appropriation Act No. 3, 1940, respecting highway crossings of railways (Special)</i>	638,786 22
<i>Expenditures</i>	283,027 77
<i>Lapsed</i>	\$ 355,758 45

Comments on Expenditures

The various projects were approved by the Board of Transport Commissioners for Canada and the percentage payable authorized by the Governor in Council. Payments during the year were: Canadian National Railways, \$113,428.58; Highways Department, Ontario, \$8,412.38; Public Works Department, Alberta, \$1,085.54; Roads Department, Quebec, \$160,101.27.

GOVERNMENT EMPLOYEES' COMPENSATION

<i>Vote 406 Administration of the Government Employees' Compensation Act</i>	21,095 00
<i>Vote *420 Cost of Living Bonus</i>	828 98
<i>Expenditures</i>	21,923 98
<i>Lapsed</i>	\$ 1,298 07

	Estimates details	Allotments authorized	Expenditures
A Salaries	18,195 00	19,023 98	19,023 98
B Printing and stationery	300 00	300 00	294 45
C Travelling expenses	2,500 00	2,500 00	1,244 75
D Sundries	100 00	100 00	62 73
	\$ 21,095 00	\$ 21,923 98	\$ 20,625 91

Comments on Expenditures

A As of March 31, 1942, there were 13 employees paid from this vote; C. E. Stevens was receiving an annual salary of \$3,120 at that date.

C Travelling expense payments over \$300 were: L. A. Parent, \$705.61; C. E. Stevens, \$378.34.

* Supplementary vote.

<i>Government Employees' Compensation Act</i>	488,898 56
<i>Expenditures</i>	\$ 488,898 56

Purpose for which Appropriation was Provided

Disbursements for compensation, medical aid, etc., when employees of His Majesty are killed or suffer injuries in the performance of their duties.

Comments on Expenditures

The claims of employees eligible for compensation are dealt with and paid by the Provincial Workmen's Compensation Boards except in the Provinces of Prince Edward Island and Quebec. Claims arising in the Province of Prince Edward Island are adjusted through the Canadian National Railways, while those in the Province of Quebec are arranged directly by the Department. Medical aid claims under \$25 in the Province of Ontario, when the accidents are of a minor nature and no compensation is paid to the injured employee, are paid directly by the Department. In the provinces where claims are paid by the Boards, the Dominion Government has advanced funds to meet such expenditures. The Boards are reimbursed for their disbursements. A Cash Statement for the fiscal year follows:—

Balance on hand with the Boards, April 1, 1941.....	86,271 13
Dominion Government contributions for 1941-42.....	488,898 56
Bank interest allowed by Boards.....	435 33
Amount received as refunds of expenditure.....	53,406 82
	<hr/>
	629,011 84
Deduct—	
Disbursements for compensation, etc.....	489,297 40
Interest deposited to the credit of the Receiver General.....	435 33
	<hr/>
	489,732 73
Balance in hands of Boards, March 31, 1942.....	<hr/>
	\$ 139,279 11

The Dominion Government's contributions of \$488,898.56 include additional advances amounting to \$60,000 as follows: \$10,000 to each of the Provincial Boards of Nova Scotia, New Brunswick, Ontario, Manitoba and British Columbia, and \$5,000 to each of the Boards of Saskatchewan and Alberta (Order in Council P.C. 89/1249 of February 16, 1942).

Amounts received as refunds of expenditure totalled \$53,406.82 the details being as follows: Expenditures made on behalf of: National Harbours Board, \$43,846.14, administration expenses for 1939, \$728; United Kingdom Technical Mission, \$8,089.66; sundry recoveries, \$743.02.

The total expenditure for compensation, medical aid and administration, amounted to \$489,297.40. This expenditure allocated by Provinces follows: Prince Edward Island, \$2,074.98; Nova Scotia, \$72,316.03; New Brunswick, \$27,993; Quebec, \$115,405.33; Ontario, \$150,928.26; Manitoba, \$36,397.87; Saskatchewan, \$13,627.61; Alberta, \$20,451.84; British Columbia, \$50,102.48.

The balances on hand with the Boards, \$139,279.11, at March 31, 1942, were: Nova Scotia, \$30,557.93; New Brunswick, \$29,525.33; Ontario, \$33,632.54; Manitoba, \$18,214.25; Saskatchewan, \$7,455.32; Alberta, \$7,950.76; British Columbia, \$11,942.98.

PENSIONS AND OTHER BENEFITS

<i>Vote 407 Compassionate allowance to John Davidson, formerly light-keeper at Cape Mudge, B.C.</i>	500 00
<i>Expenditures</i>	\$ 500 00

Vote 408	Compassionate allowance to recoup the Workmen's Compensation Board of British Columbia in continuation of a pension granted and to be paid by that Board up to March 31, 1942, in the sum of \$40 per month, to the widow of the late E. J. McCoskrie, who was formerly employed as Port Warden at Prince Rupert, B.C., and who was killed while in the performance of his duties	480 00
	Expenditures	\$ 480 00

Vote 409	Amount required to pay pensions of \$300 each to former pilots	2,100 00
	Expenditures	\$ 2,100 00

Comments on Expenditures

Under terms of an Order in Council dated December 5, 1906, retired pilots of the District of Quebec were paid pensions as follows: A. Asselin, \$300; J. Asselin, \$300; R. Lachance, \$300; A. Paquet, \$300; J. Pouliot, \$300; J. H. Talbot, \$300; J. Vezina, \$300.

Vote 410	Railway Employees' Provident Fund—To supplement pension allowances payable under the provisions of the Inter-colonial and Prince Edward Island Railways Employees' Provident Fund Act so as to make the minimum payment during the period January 1, 1941, to March 31, 1942, the sum of \$30 per month instead of \$20 as fixed by the said Act	23,000 00
	Expenditures	20,774 57
	Lapsed	\$ 2,225 43

Comments on Expenditures

Payments to increase the minimum monthly pension allowances from \$20 as fixed by the Act to \$30 per month for the period January 1 to December 31, 1941.

SUPERANNUATION AND RETIREMENT BENEFITS

Gratuities to families of deceased employees, Civil Service Act, c. 22, R.S. .	\$ 6,760 00
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GOVERNMENT OWNED ENTERPRISES

Prince Edward Island Car Ferry and Terminals

Vote 417	Provision for the payment during the fiscal year 1941-42 to the Canadian National Railway Company (hereinafter called the National Company) upon applications approved by the Minister of Transport, made from time to time by the National Company, to the Minister of Finance and to be applied by the National Company in payment of the deficit (certified by the auditors of the National Company) in the operation of the Prince Edward Island Car Ferry and Terminals arising in the calendar year 1941	400,000 00
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Vote *444 Additional amount required	23,651 00
	<hr/>
Expenditures	423,651 00
	423,650 75
Lapsed	\$ 25
	<hr/>

National Harbours Board

Vote 418 Payment to National Harbours Board, of the accounts herein- after set forth, to be applied in payment of the deficits (after payment of interest due the public but exclusive of interest on Dominion Government Advances and depreci- ation on capital structures) arising in the calendar year 1941, in the operation of Churchill Harbour	66,885 00
Expenditures	32,515 38
	<hr/>
Lapsed	\$ 34,369 62
	<hr/>

Comments on Expenditures

The Income Statement of the harbour as published in the annual report of the National Harbours Board for the calendar year 1941 shows in detail the revenues and expenditures which resulted in the deficit.

Vote 415 Advances to National Harbours Board, subject to the pro- visions of Section 29 of the National Harbours Board Act, to meet expenditures during the calendar year 1941 on any or all of the following accounts:—	
(a) Retirement of Maturing Debentures—	
Saint John, \$2,000; Quebec, \$400,000	402,000 00
Expenditures	\$ 402,000 00
	<hr/>

Comments on Expenditures

Under the agreement of sale of the City of Saint John properties to the Saint John Harbour Commissioners as of August 1, 1927, the Commissioners assumed full liability for City of Saint John bonds amounting to \$1,467,164.96 maturing at various dates from 1932 to 1954. The Dominion Government guaranteed these bonds as to principal and interest. During the year, bonds totalling \$2,000 matured and the amount was advanced by the Dominion Government. The principal of the unmatured bonds outstanding at the close of the harbour financial year, December 31, 1941, amounted to \$775,229.31.

The amount of \$400,000 was advanced to the National Harbours Board to pay off the remaining debenture indebtedness to the public consisting of an issue of \$400,000 4 per cent debentures.

In accordance with Section 29 of the National Harbours Board Act, certificates of indebtedness bearing interest at 3½ per cent were issued to the Dominion Government.

Vote 415 Advances to National Harbours Board, subject to the pro- visions of Section 29 of the National Harbours Board Act to meet expenditures during the calendar year 1941 on any or all of the following accounts:—	
(b) Reconstruction and Capital Expenditures	203,000 00
Less amount transferred to Loans and Investments, Active Accounts	8,355 50
	<hr/>
Expenditures	194,644 50
	14,089 44
Lapsed	\$ 180,555 06
	<hr/>

* Supplementary vote.

AUDITOR GENERAL'S REPORT

Comments on Expenditures

The advances were made to the following harbours: Halifax, \$3,436.15; Saint John, \$5,905.19; Chicoutimi, \$120.50; Quebec, \$4,627.60.

In accordance with Section 29 of the National Harbours Board Act of 1936, certificates of indebtedness were issued bearing interest at $3\frac{1}{2}$ per cent.

<i>Vote 419 Advances to National Harbours Board with interest at a rate to be fixed by the Governor in Council for such period and upon such terms and conditions as the Governor in Council may determine, to be applied in payment of deficits resulting from the operations of the Jacques Cartier Bridge</i>	
	441,125 00
<i>Expenditures</i>	342,000 00
<i>Lapsed</i>	\$ 99,125 00

Comments on Expenditures

Under authority of P.C. 2906 of August 27, 1941, a sum of \$342,000 was advanced for the payment of interest due May 1 and November 1, 1941, on the \$19,000,000 bond issue of the Harbour Commissioners of Montreal in respect to the Jacques Cartier Bridge which was guaranteed by His Majesty. It is directed in the Order in Council that the Minister of Finance shall take over coupons of a like face amount so that His Majesty may in accordance with the provisions of sub-clause 9 of clause 55 of the Mortgage Deed of Trust securing the bond issues, become subrogated to all the rights to which the bond holders are entitled prior to payment by His Majesty under the guarantee.

Canadian National (West Indies) Steamships, Limited

<i>Vote 416 Advances to Canadian National (West Indies) Steamships Limited, repayable on demand with interest at a rate to be fixed by the Governor in Council upon such terms and conditions as the Governor in Council may determine and and to be applied in payment of capital expenditures in connection with vessels under the Company's control during the year ending December 31, 1941</i>	
	20,000 00
<i>Expenditures</i>	nil
<i>Lapsed</i>	\$ 20,000 00

DEPARTMENT OF TRANSPORT STORES ACCOUNT

The Stores Account is operated under the authority of the Department of Transport Stores Act of 1937 as amended. Advances are made to the Minister of Transport to enable him to acquire all materials, supplies and equipment required for the construction, renewal, maintenance or operation of the properties, works and undertakings of the Department including replenishment of stores stocks. From time to time as such stores are used in the work or undertakings of the Department, the cost of same shall be credited to the Stores Account concurrently with the payments of equivalent amounts out of the appropriations of the Department.

The amount of the outstanding advances may at no time exceed \$1,000,000 and the inventory of stores at the end of each fiscal year may not exceed \$1,250,000.

DEPARTMENT OF TRANSPORT

429

Details of the Stores Account

Inventory, April 1, 1941	946,366 85
Purchase of materials, supplies, etc.	2,085,668 57
	<hr/>
Deduct:	3,032,035 42
Cost of materials supplied, etc., issued to departmental appropriations	1,201,620 01
Cost of materials, supplies, etc., issued to War Allotments and other government services	509,165 70
Rebates for containers, etc., returned	99,902 69
	<hr/>
	1,810,688 40
	<hr/>
	1,221,347 02
	<hr/>

Purchases of materials, supplies, etc., in excess of \$5,000 were made in the following instances: Albert & McCaffery, Ltd., Prince Rupert, \$20,819.04; Anaconda American Brass Ltd., New Toronto, \$46,257.17; Atlas Steels Ltd., Welland, \$20,207.80; L. E. Baker & Co., Yarmouth, \$6,225.11; O. Belanger & Fils, Ltée., Lachine, \$5,671.47; Brandram-Henderson Ltd., \$7,873.53; British American Oil Co. Ltd., \$32,687.11; Canada Cement Co. Ltd., Montreal, \$9,562.71; Canada Metal Co. Ltd., Montreal, \$6,283.44; Canada Wire & Cable Co. Ltd., Toronto, \$19,460.79; Canadian-Fairbanks Morse Co. Ltd., \$21,013.59; Canadian General Electric Co. Ltd., \$60,404.59; Canadian Import Co. Ltd., Quebec, \$49,125.66; Canadian Industries Ltd., \$6,237.14; Canadian Liquid Air Co. Ltd., \$10,551.04; Canadian Marconi Co. Ltd., \$18,697.61; Canadian National Railways, \$11,193.68; Canadian Oil Companies Ltd., \$37,888.51; Canadian Pacific Railway Co., \$5,080.60; Canadian Telephones & Supplies Ltd., \$16,586.04; Canadian Tube & Steel Products Ltd., Montreal, \$12,243.43; Canadian Westinghouse Co. Ltd., \$12,006.99; Champlain Lumber Co. Ltd., Levis, \$5,621.44; Cordage Distributors Ltd., Toronto, \$5,552.17; S. Cunard & Co. Ltd., Halifax, \$57,948.24; Daigle & Paul Ltd., Montreal, \$6,260.39; Davis Lumber Co., St. Catharines, \$6,815.02; Dominion Chain Co. Ltd., Niagara Falls, \$7,910.82; Dominion Steel & Coal Corp. Ltd., \$9,315.38; Drummond, McCall & Co. Ltd., Montreal, \$19,226.83; Earle Lumber Co., Prescott, \$10,511.27; W. C. Edwards Co. Ltd., Ottawa, \$32,211.90; Empire Brass Mfg. Co. Ltd., London, \$32,301.22; General Coal Co., West Saint John, \$37,385.44; B. Greening Wire Co. Ltd., Hamilton, \$7,088.96; C. & W. Hackett, North Sydney, \$29,258.79; Hamilton Bridge Co. Ltd., \$7,260.01; Hayes Steel Products Ltd., Merritton, \$28,822.25; Imperial Oil Ltd., \$93,197.08; Instruments Ltd., Ottawa, \$8,563.95; International Paints (Canada) Ltd., Montreal, \$9,154.35; Irving Oil Co. Ltd., \$24,824.11; King's Printer, \$212,310.22; Lucien Lachapelle, Sorel, \$52,805; A. C. Leslie & Co. Ltd., Montreal, \$8,251.13; Marine Industries Ltd., Sorel, \$26,691.87; E. J. Maxwell Ltd., Montreal, \$5,260.99; McColl-Frontenac Oil Co. Ltd., \$34,698.69; McKay Smelters Ltd., Ottawa, \$5,713.88; McKinnon Columbus Chain Ltd., St. Catharines, \$8,243.68; Merchants Coal Co. Ltd., Montreal, \$9,038.48; Mumford, Medland, Ltd., Winnipeg, \$5,598.97; Murphy Paint Co. Ltd., Montreal, \$5,788.70; Northern Electric Co. Ltd., \$22,561.06; A. T. O'Leary & Co., Halifax, \$9,584.58; Ontario Hughes-Owens Co. Ltd., Ottawa, \$8,917.93; A. Pickard & Co., Charlottetown, \$7,146.82; Pintsch Compressing Corp., Montreal, \$5,709.01; Provincial Oils Ltd., Halifax, \$5,592.74; RCA Victor Co. Ltd., Montreal, \$12,464.56; Wm. Robertson & Son Ltd., Halifax, \$6,663.64; T. E. Ryder Machinery Co., Montreal, \$7,277.35; St. Lawrence Coal Co. Ltd., Montreal, \$7,367.38; Shawinigan Chemicals Ltd., Montreal, \$6,371.60; Shell Oil Co. of Canada Ltd., \$14,984.96; James Sheppard & Son Reg'd., Sorel, \$6,315.06; Sherwin-Williams Co. of Canada Ltd., \$17,499.94; John Simon, Halifax, \$15,334.92; Steel Co. of Canada Ltd., \$8,836.12; Sterling Rubber Co. Ltd., Guelph, \$8,101.09; Toronto Metal Spinning Co., \$11,989.25; Union Oil Co. of Canada Ltd., Vancouver, \$5,762.48; Vancouver Island Coals Ltd., Nanaimo, \$15,909.73; A. R. Williams Machinery Co. Ltd., \$18,149.33; Williams & Wilson Ltd., \$15,830.32; M. Zagerman & Co. Ltd., Ottawa, \$5,439.50.

Cost of materials and supplies, etc., issued to the various appropriations of the Department: Departmental Administration (Vote 362), \$14,117.75; Administration, Government Employees' Compensation Act (Vote 406), \$294.13; Air Service Administration (Vote 364), \$179.93; Control of Civil Aviation (Vote. 365), \$6,826.02; Airways and Airports, Construction and Improvements, (Vote 366), \$12,617.22; Airways and Airports, Operation and Maintenance (Vote 367), \$59,440.67; Contributions to assist municipalities to improve existing airports or to

provide new airports (Vote 369), \$2,212.91; Meteorological Services (Vote 370), \$35,919.48; Administration of the Radiotelegraph Act and Regulations (Vote 372), \$6,687.92; Radio Direction Finding Stations (Vote 373), \$43,314.93; Suppression of Local Interferences (Vote 374), \$1,584.01; Issue of Radio Receiving Licences (Vote 375), \$22,296.04; Canals Service, Administration (Vote 376), \$4,070.70; Canals, Operation and Maintenance (Vote 377), \$202,829.28; Canals, Improvements (Vote 378), \$39,976.19; St. Lawrence Ship Canal Surveys and Investigations (Vote 379), \$22.01; River St. Lawrence Ship Channel, Capital (Vote 412), \$122.76; Marine Service Administration (Vote 381), \$169.16; Administration of Floating Equipment (Vote 382), \$181.69; Nautical Service Administration (Vote 383), \$799.28; Marine Service Steamers, including Icebreakers, Maintenance and Operation (Vote 384), \$324,655.71; Miscellaneous Services relating to Navigation & Shipping (Vote 394), \$4,275.23; Life Saving Service (Vote 391), \$2,262.14; Marine Signal Service (Vote 396), \$2,020.12; Administration of Pilotage (Vote 390), \$4,856.40; Construction, Maintenance and Supervision of Aids to Navigation (Vote 385), \$336,958.97; Maintenance and Repairs to Wharves (Vote 387), \$548.36; Steamboat Inspection (Vote 395), \$1,730.60; Agencies, Salaries and Office Expenses (Vote 386), \$9,594.42; St. Lawrence Ship Channel, Contract Dredging, Capital (Vote 397), \$60,992.56; Repairs and Expenses, Official Railway Cars (Vote 399), \$35.29; Hudson Bay Railway, Operating Deficit (Vote 401), \$20.50; Hudson Bay Railway, Construction and Improvements (Vote 400), \$7.63.

LOANS AND INVESTMENTS

Amounts totalling \$18,507,381.50 were appropriated for the Department for loans and investments of which \$355,655.50 was voted and \$18,151,726 authorized by the War Appropriation Act, 1941. Loans and investments made during the year amounted to \$18,378,943.82 leaving a balance of \$128,437.68 which lapsed. Under general statutes, further loans amounting to \$245,466,183.31 were made making a total of \$263,845,127.13. The repayments and other credits during the year amounted to \$16,703,757.42.

Interest on loans and investments received during the year amounted to \$10,156,226.20 and was credited to "Interest on Investments", Department of Finance. Of this amount \$2,750,000 was paid by the National Harbours Board, \$6,863.43 by the New Westminster Harbour Commissioners, \$5,657,081.02 by the Canadian National Railways, \$26,942.27 by the Canadian Broadcasting Corporation, \$16,409.25 by the Canadian Government Merchant Marine, \$1,205,656.97 by the Canadian National (West Indies) Steamship Company and \$493,273.26 by the Canadian Pacific Railway Company.

	Loans outstanding April 1, 1941	Advances during year	Repayments and other credits during year	Loans outstanding March 31, 1942
A Canadian Broadcasting Corporation	786,159 40		282,760 63	503,398 77
B Canadian National Railways	150,783,009 08	70,985,326 46	11,383,499 81	210,384,835 73
C Canadian National (West Indies) Steamships	450,000 00			450,000 00
D Canadian Pacific Railway Company	4,947,863 08		1,421,709 23	3,526,153 85
E National Harbours Board	86,397,243 49	229,792 93	1,210,386 79	85,416,649 63
F New Westminster Harbour Commissioners	274,537 23			274,537 23
G War Appropriation				
Canadian Government Merchant Marine Ltd.	750,000 00		750,000 00	
Purchase of Railway Equipment	24,831,014 42	1,027,425 52	1,655,400 96	24,203,038 98
United Kingdom Financing		191,602,582 22		191,602,582 22
	<u>\$269,219,826 70</u>	<u>\$263,845,127 13</u>	<u>\$16,703,757 42</u>	<u>\$516,361,196 41</u>

A The Canadian Broadcasting Corporation repaid \$282,760.63 during the year. Of this amount \$82,760.63 represented the regular instalments of principal and the balance, \$200,000 an additional repayment.

DEPARTMENT OF TRANSPORT

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B Canadian National Railways:

	Loans outstanding April 1, 1941	Advances during year	Repayments and other credits during year	Loans outstanding March 31, 1942
Advances, Refunding Act.....	24,689,392 53	27,135,668 40		51,825,060 93
Advances, Financing and Guar- antee Acts	115,882,977 20	23,727,932 69	2,827,418 19	136,783,491 70
Advances for construction of a railway line from Senne- terre to Rouyn	638,908 55		638,908 55	
Advances, Trans-Canada Air Lines	550,000 00		550,000 00	
Temporary Loans	3,850,000 00	3,000,000 00	6,850,000 00	
Temporary Loans for Work- ing Capital		17,121,725 37		17,121,725 37
Purchase of Equipment	5,171,730 80		517,173 07	4,654,557 73
	<u>\$150,783,009 08</u>	<u>\$ 70,985,326 46</u>	<u>\$11,383,499 81</u>	<u>\$210,384,835 73</u>

In accordance with the provisions of section 7 of the Canadian National Railway Company Refunding Act, 1938, and with the approval of the Governor in Council, P.C. 252 dated January 13, 1942, \$27,135,668.40 was advanced as follows: \$20,000,000 for the redemption of Canadian National Railway Company 2 per cent bonds due January 15, 1942, \$1,153,764 to redeem Grand Trunk Pacific Branch Lines Company 4 per cent. Alberta bonds due February 15, 1942, and \$5,981,904.40 for the redemption of £1,114,520 and \$1,000,000 $\frac{1}{2}$ per cent Alberta debenture stock and bonds due February 16, 1942.

Under the Canadian National Railways Financing and Guarantee Act of 1940 and with the approval of the Governor in Council, P.C. 6002 of October 25, 1940, further loans totalling \$11,784,932.40 bearing interest at $3\frac{1}{2}$ per cent were made for the acquisition of Grand Trunk Railway 4 per cent perpetual debentures with accrued interest. In accordance with section 4 of the Canadian National Railways Financing and Guarantee Act, 1941, loans aggregating \$11,943,000.29 bearing interest at $3\frac{1}{2}$ per cent were made with the approval of Order in Council P.C. 4817 of July 2, 1941. The total loans made under the Financing and Guarantee Acts during the year were, therefore, \$23,727,932.69.

Temporary loans for working capital amounting to \$17,121,725.37 were made during the year with the approval of the Governor in Council, P.C. 10056 dated December 24, 1941.

An amount of \$17,121,726 was allocated from War Appropriation for this purpose leaving a balance of 63c which lapsed.

D Canadian Pacific Railway:

	Loans outstanding April 1, 1941	Repayments and other credits during year	Loans outstanding March 31, 1942
Loans for betterment or repair of railway equipment	870,000 00	870,000 00	
Purchase of equipment (Hire Purchase Agree- ments)	3,966,923 08	440,769 23	3,526,153 85
Loans for wages on Special Works Program..	110,940 00	110,940 00	
	<u>\$4,947,863 08</u>	<u>\$1,421,709 23</u>	<u>\$3,526,153 85</u>

E Vote 415 Advances to National Harbours Board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures during the calendar year 1941 on any or all of the following accounts: (b) Reconstruction and Capital Expenditures, Generally Unforeseen \$ 8,355 50

The above amount was transferred from the Generally Unforeseen item to Vote 415 listed as a Government Owned Enterprise Non-Active Account to Loans and Investments as an Active Account in the Public Accounts and used for capital expenditures in the Vancouver Harbour.

Vote 420 Advances to National Harbours Board, subject to the provisions of Section 29 of the National Harbours Board Act, to meet expenditures during the calendar year 1941 on any or all of the following accounts: Reconstruction and Capital Expenditures, \$405,600, less \$58,300 to be expended from Replacement Fund	
Expenditures	347,300 00
Lapsed	221,437 43
	\$125,862 57

The amount of \$221,437.43 was advanced to the Montreal Harbour for capital expenditures.

In accordance with Section 29 of the National Harbours Board Act, certificates of indebtedness bearing interest at 3½ per cent, totalling \$229,792.93, were issued by the National Harbours Board to cover the amounts advanced under Votes 415 and 420.

In 1941-42 the National Harbours Board repaid \$1,172,016.78 and \$38,370.01 on account of loans to the Montreal and Vancouver Harbours, respectively.

The total of the outstanding loans at March 31, 1942, amounted to \$85,416,649.63 of which Montreal Harbour owed \$60,325,707.61 and Vancouver Harbour, \$25,090,942.02.

G War Appropriation Act, 1941—Purchase of Railway Equipment	1,030,000 00
Expenditures	1,027,425 52
Lapsed	\$ 2,574 48

Under the provisions of Order in Council P.C. 3433, of May 14, 1941, the Minister of Transport was authorized to enter into negotiations for the purchase on behalf of His Majesty in the right of Canada, of such railway equipment as shall, in the opinion of the Board of Directors of the Canadian National Railway Company, be urgently required and as may be approved by the Minister of Transport. The cost was not to exceed \$22,250,000 upon terms to be approved by the Governor in Council. The Minister of Finance was also authorized to enter into negotiations with the Canadian National Railway Company for the leasing and delivery of such railway equipment under a Hire Purchase Agreement upon terms to be subject also to the approval of the Governor in Council.

Under the authority of Order in Council, P.C. 5999 of August 5, 1941, contracts amounting to \$5,490,208.50 were entered into for the purchase of railway equipment. Further contracts amounting to \$15,178,125 were entered into under authority of P.C. 10057 of December 24, 1941, which provided \$60,000 additional for inspection charges.

Of the \$1,030,000 allotted for the acquisition of railway equipment under the War Appropriation Act, 1941, a total of \$1,027,425.52 was expended. The payments of \$951,320 for the purchase of 250 triple Hopper cars and trucks of 70 tons capacity, and \$76,105.52 for sales tax, were made to the Bank of Nova Scotia for the Eastern Car Co., Ltd., New Glasgow, and to the Receiver General for the Department of National Revenue, respectively, during the year.

Under the War Appropriation (United Kingdom Financing) Act, 1942, and with the approval of the Governor in Council, P.C. 2484 dated March 28, 1942, \$191,602,582.22 was advanced for the purchase of Canadian National Railways securities held by the Government of the United Kingdom. This loan is to bear interest at 3½ per cent.

WAR EXPENDITURES

On April 4, 1941, a grant of \$1,300,000,000 was made for war purposes, and on March 27, 1942, this was supplemented by a further grant of \$135,000,000. It is a provision of the legislation that moneys received as a refund or repayment of any advance, loan or expenditure made under the authority of a War Appropriation Act may, with the approval of the Governor in Council, be re-expended, advanced or loaned for any of the purposes enumerated in the Acts. As a result, the combined grants of \$1,435,000,000 were supplemented by \$49,714,182.74 of receipts received by the following departments: Agriculture, \$1,235,558.88; Auditor General's Office, \$9,137; External Affairs, \$1,158.70; Finance, \$51.80; Labour, \$750.20; Mines and Resources, \$38,119.11; Munitions and Supply, \$36,575,333.72; National Defence, \$11,851,567.57; National War Services, \$1,209.20; Secretary of State, \$1,090.60, and Trade and Commerce, \$205.96.

The main Act directed that the allotting of the grant be by the Governor in Council. In the course of audit it was observed that allotments were sometimes made by the Treasury Board. The Supplementary 1941 War Appropriation Act made the grant "subject to allotment by Treasury Board." The change is explained by the note which accompanied the 1942 Bills: "It has been found that in practice it is desirable to provide that Treasury Board should check estimates and allot funds after His Excellency the Governor in Council has approved of the principle of specific projects."

\$1,484,714,182.74 was available for allotment purposes and \$1,415,527,676.39 was allotted to the various departments. The expenditures amounted to \$1,382,490,828.35.

WAR APPROPRIATIONS 1941-42

Department	Allotments	Expenditures	Lapsed
Agriculture	31,298,283 14	27,387,361 21	3,910,921 93
Auditor General's Office	169,950 00	134,331 91	35,618 09
Civil Service Commission	242,000 00	235,733 66	6,266 34
External Affairs	400,961 94	384,224 38	16,737 56
Finance	20,571,507 28	16,725,076 21	3,846,431 07
Fisheries	113,500 00	106,097 01	7,402 99
Justice	109,805 00	60,149 65	49,655 35
Labour	6,980,975 38	6,554,331 89	426,643 49
Mines and Resources	1,084,064 67	759,065 52	324,999 15
Munitions and Supply	252,761,058 57	252,691,124 09	69,934 48
National Defence	1,033,161,396 14	1,011,185,615 71	21,975,780 43
National Revenue	3,905 00	3,903 31	1 69
National War Services	3,567,719 00	3,218,232 49	349,486 51
Pensions and National Health	5,981,250 00	5,612,991 83	368,258 17
Post Office	645,683 00	492,459 62	153,223 38
Privy Council Office	6,138 00	4,343 10	1,794 90
Public Archives	2,600 00	2,600 00	
Public Works	4,823,971 35	4,496,944 47	327,026 88
Royal Canadian Mounted Police	3,209,074 93	3,001,370 18	207,704 75
Secretary of State	193,016 38	185,509 44	7,506 94
Trade and Commerce	1,357,703 00	1,204,805 52	152,897 48
Transport:			
Department	4,226,262 57	3,580,426 65	645,835 92
National Harbours Board	1,797,600 00	1,647,454 57	150,145 43
	1,372,708,425 35	1,339,674,152 42	33,034,272 93

AUDITOR GENERAL'S REPORT

<u>Department</u>	<u>Allotments</u>	<u>Expenditures</u>	<u>Lapsed</u>
Loans and Investments—			
Transport	18,151,726 00	18,149,150 89	2,575 11
Miscellaneous Current Accounts—			
Finance	10,000 00	10,000 00	
Munitions and Supply—			
Advances to Companies	24,657,525 04	24,657,525 04	
Unallotted balance	69,186,506 35		69,186,506 35
Total	<u>\$1,484,714,182 74</u>	<u>\$1,382,490,828 35</u>	<u>\$102,223,354 39</u>

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

These accounts have been examined and audited under my direction, in accordance with the provisions of the Consolidated Revenue and Audit Act, and subject to the observations in this report, I certify that in my opinion they are correct.

WATSON SELLAR,
Auditor General.

DEPARTMENT OF AGRICULTURE

SPECIAL WAR RECEIPTS

A War Revenue	363,015 64
B Refunds of previous years' war expenditures	1,235,558 88
	<u>\$1,598,574 52</u>

Certified correct.

H. BARTON,
Deputy Minister.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

- A Represents returns from the disposal of war supplies and agricultural products, expenditures on which are reported under the War Allotments for the fiscal year: Etrich Flax Tow Scutching Machines, \$19,000; Vanhauwaert Turbine Scutchers, \$2,800; Fibre Flax Seed, \$53,045.30; Nova Scotia Apples, 1941 crop, \$288,126.30; refund on account of expenditures under the Dominion Provincial Joint Seed Program, \$44.04.
- B Includes a refund of \$9,000 from the Province of Quebec for 3 Flax Scutching Machines, the cost of which was advanced by the Dominion in the fiscal year 1940-41. \$1,226,520.35 was derived from the sale of Nova Scotia apples from the 1940 crop.

AGRICULTURE—*Con.*

EXPENDITURES

	Allotments	Expenditures	Lapsed
Agricultural Supplies Board—			
Administration	26,498 20	21,901 14	4,597 06
Flour and Feed Administration	25,287 36	13,255 46	12,031 90
Fibre Flax Administration	2,200 00	1,283 60	916 40
Fertilizers and Pesticides Administration ...	4,810 00	1,353 31	3,456 69
Fertilizers—Subventions and Freight Allowances	100,000 00		100,000 00
Seeds Administration	2,750 00	174 23	2,575 77
Purchase and installation of Equipment for the dehydration of apples	20,000 00	6,912 83	13,087 17
Dehydration of vegetables—			
Laboratory equipment	5,500 00		
Dehydration of vegetables....	379,000 00		
	384,500 00	131,525 24	252,974 76
Advertising to meet 1940-41 commitments..	29,000 00	25,173 68	3,826 32
Publishing Special Wartime Pamphlets	7,000 00	6,061 78	938 22
Advertising in connection with mite infestations of Wheat	1,400 00	1,159 53	240 47
Compensation of Inspectors employed in connection with the 1941 Flax Crop	5,000 00	4,499 70	500 30
Etrich Flax Tow Scutching Machines—Manufacturing of patterns and tools, and manufacturing of 10 machines	109,641 10	86,317 05	23,324 05
Vanhauwaert Turbine Flax Scutcher—Plans and Specifications, patterns and tools, and Purchase of 10 Vanhauwaert Flax Machines	72,498 20	11,256 39	61,241 81
Purchase of 2 Donkey Brake Machines for use in connection with the processing of fibre flax	972 00	972 00	
Experimental Refrigeration Installation	18,821 89	18,821 89	
Advertising <i>re</i> the reduction of the domestic consumption of pork products, bacon and ham	350 00	349 08	92
Egg Production Program—Administration..	6,500 00	6,404 38	95 62
Experimental shipment of Eggs to Great Britain	1,828 79	1,828 79	
Advertising Campaign to Increase the Production of Eggs	3,500 00	1,979 48	1,520 52
Bacon Hog Advertising	30,800 00	29,434 28	1,365 72
Inspection and Grading of Fibre Flax.....	8,000 00	5,855 29	2,144 71
Purchase of Fibre Flax Seed.....	40,000 00	32,114 33	7,885 67
Dominion-Provincial Joint Seed Program...	5,000 00	316 94	4,683 06
Bacon Board—			
Administration	55,267 01	53,358 31	1,908 70
Subsidy to increase Export Bacon Price to secure adequate supplies for the U.K.	2,281,264 99	2,281,264 99	
Dairy Products Board—			
Administration	12,381 05	10,919 18	1,461 87
Payments on cheese exports to the U. K....	1,950,000 00	1,784,404 97	165,595 03

AGRICULTURE—*Con.*

Department	Allotments	Expenditures	Lapsed
To provide assistance in disposal of agricultural products rendered surplus by war—			
Commitments under Apple Agreements entered into for the 1940 Crop year—			
Nova Scotia Apple Agreement.....	125,000 00	124,719 91	280 09
British Columbia Apple Agreement.....	300,000 00	181,810 04	118,189 96
Ontario Apple Agreement	5,000 00	3,819 10	1,180 90
Nova Scotia Apple Agreement—1941 Crop..	1,650,000 00	1,638,364 42	11,635 58
British Columbia Apple Agreement—1941 Crop	625,000 00	311,230 68	313,769 32
Marketing Service—Special Products Board—			
Administration	13,034 64	13,034 64	
Services of such forwarding agencies as are required in connection with the shipment of fruit and vegetables under contracts with the British Ministry of Food.....	6,000 00	674 25	5,325 75
Subsidy on Export Eggs.....	398,931 06	304,656 00	94,275 06
Freight Assistance on Western Feed Grains....	4,970,046 85	3,971,650 01	998,396 84
Payment to increase Income of Farmers in the Spring Wheat Area of Western Canada....	18,000,000 00	16,298,504 31	1,701,495 69
Total	\$31,298,283 14	\$27,387,361 21	\$3,910,921 93

<i>Allotment: Agricultural Supplies Board Administration.....</i>	<i>26,498 20</i>
<i>Expenditures</i>	<i>21,901 14</i>
<i>Lapsed</i>	<i>\$ 4,597 06</i>

Comments on Expenditures

As of March 31, 1942, there were 11 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: E. D. Eddy, \$3,000; S. R. M. Hodgins, \$4,800; D. Hunter, \$3,000; J. R. Peet, \$2,520. Total salaries paid amounted to \$14,725.22, travelling expenses to \$5,211.65 and other sundry expenses to \$1,964.27.

<i>Allotment: Flour and Feed Administration.....</i>	<i>25,287 36</i>
<i>Expenditures</i>	<i>13,255 46</i>
<i>Lapsed</i>	<i>\$ 12,031 90</i>

Comments on Expenditures

As of March 31, 1942, there were 7 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: R. M. Bryan, \$3,600; F. W. Presant, \$4,000 (also paid at rate \$4,000 by the Wartime Prices and Trade Board); D. E. Thomson, \$3,600. Total salaries paid amounted to \$6,929.56, travelling expenses to \$875.50 and other sundry expenses to \$5,450.40

AGRICULTURE—*Con.*

<i>Allotment: Fibre Flax Administration.....</i>	<i>2,200 00</i>
<i>Expenditures</i>	<i>1,283 60</i>
<i>Lapsed</i>	<i>\$ 916 40</i>

Comments on Expenditures

As of March 31, 1942, there was 1 employee paid from this allotment. Total salary paid amounted to \$211.08, travelling expenses to \$63.91 and other sundry expenses to \$1,008.61.

<i>Allotment: Fertilizers and Pesticides Administration.....</i>	<i>4,810 00</i>
<i>Expenditures</i>	<i>1,353 31</i>
<i>Lapsed</i>	<i>\$ 3,456 69</i>

Comments on Expenditures

As of March 31, 1942, there were 3 employees paid from this allotment. G. J. Callister was receiving an annual salary of \$3,600 on that date. Total salaries paid amounted to \$568.19, travelling expenses to \$442.38 and other sundry expenses to \$342.74.

<i>Allotment: Fertilizers—Subventions and Freight Allowances.....</i>	<i>100,000 00</i>
<i>Expenditures</i>	<i>Nil</i>
<i>Lapsed</i>	<i>\$ 100,000 00</i>

<i>Allotment: Seeds Administration</i>	<i>2,750 00</i>
<i>Expenditures</i>	<i>174 23</i>
<i>Lapsed</i>	<i>\$ 2,575 77</i>

Comments on Expenditures

Includes payments of travelling expenses, \$130.65 and sundry other expenses, \$43.58.

<i>Allotment: Purchase and installation of Equipment for the dehydration of apples</i>	<i>20,000 00</i>
<i>Expenditures</i>	<i>6,912 83</i>
<i>Lapsed</i>	<i>\$ 13,087 17</i>

Comments on Expenditures

Represents part of an advance of \$20,000 to the Appletime Products, Ltd., Vernon, B.C., for the purchase of dehydration equipment, on terms that will eventually assure repayment to the Treasury as authorized by P.C. 9227.

<i>Allotment: Purchase and installation of laboratory equipment, \$5,500 and of equipment for the dehydration of vegetables, \$379,000</i>	<i>384,500 00</i>
<i>Expenditures</i>	<i>131,525 24</i>
<i>Lapsed</i>	<i>\$ 252,974 76</i>

AUDITOR GENERAL'S REPORT

AGRICULTURE—*Con.*

Comments on Expenditures

Includes an outlay of \$3,734.46 for scientific equipment installed in departmental laboratories, and payments made under contract with the following companies whereby the government agreed to equip each plant with certain necessary machines used for the dehydration of vegetables and to compensate them for the manufacturing costs of the finished products: Bulmans Ltd., Vernon, B.C., \$24,771.72; Gordon Beardmore & Co. Ltd., Oakville, Ont., \$30,742.98; R. B. Graham, Belleville, Ont., \$26,320.77; Berwick Fruit Products Ltd., Berwick, N.S., \$23,087.49; United Fruit Companies of Nova Scotia Ltd., Kentville, N.S., \$22,867.82.

<i>Allotment: Advertising to meet 1940-41 commitments</i>	29,000 00
<i>Expenditures</i>	25,173 68
<i>Lapsed</i>	\$ 3,826 32

Comments on Expenditures

Includes the sum of \$24,913.41 paid to the Canadian Advertising Agency Ltd., Montreal, for announcements in newspapers, etc., to stimulate production of agricultural products.

<i>Allotment: Publishing Special Wartime Pamphlets</i>	7,000 00
<i>Expenditures</i>	6,061 78
<i>Lapsed</i>	\$ 938 22

Comments on Expenditures

Represents the cost of special pamphlets and posters of the Wartime Production Series published by the Agricultural Supplies Board and printed by the King's Printer.

<i>Allotment: Advertising in connection with mite infestations of Wheat</i> ..	1,400 00
<i>Expenditures</i>	1,159 53
<i>Lapsed</i>	\$ 240 47

Comments on Expenditures

Represents payments of \$1,159.53 to the Canadian Advertising Agency Ltd., Montreal, for a campaign against mite infestation of grains stored on farms in the Prairie Provinces.

<i>Allotment: Compensation of Inspectors employed in connection with the 1941 Flax Crop</i>	5,000 00
<i>Expenditures</i>	4,499 70
<i>Lapsed</i>	\$ 500 30

Comments on Expenditures

Represents the compensation paid to 12 inspectors engaged at the rate of \$5 per day and travelling expenses and the travelling expenses of 10 other inspectors loaned by the Government of the Province of Quebec.

AGRICULTURE—*Con.*

Allotment:	Etrich Flax Tow Scutching Machines: Manufacturing of Patterns and Tools, Manufacturing of 10 Machines.....	109,641 10
	Expenditures	86,317 05
	Lapsed	\$ 23,324 05

Comments on Expenditures

Includes the payment of \$1,200 to the Hesky Flax Products Ltd., Toronto, for the loan of a machine to be used as a model; the payment to The Frost and Wood Co. Ltd. of \$11,584.58 for copying plans, patterns and tools and part payment amounting to \$73,532.47 for the manufacture of 10 machines which were sold to processors.

Manufacturing costs are recoverable in full and payments of \$19,000 on the 10 machines sold have been received and appear under the heading of Special War Receipts.

Allotment:	Vanhauwaert Turbine Flax Scutcher—Plans and Specifications, Patterns and Tools, and Purchase of 10 Vanhauwaert Flax Machines	72,498 20
	Expenditures	11,256 39
	Lapsed	\$ 61,241 81

Comments on Expenditures

Includes a payment of \$1,928.65 for copying plans, patterns and tools and part payment amounting to \$9,327.74 to the Frost and Wood Co. Ltd. for the manufacture of 2 machines which were sold to processors.

Manufacturing costs are recoverable in full and initial payments of \$2,800 on orders for 4 machines have been received and appear under the heading of Special War Receipts.

Allotment:	Purchase of 2 Donkey Brake Machines for use in connection with the processing of fibre flax	972 00
	Expenditures	\$ 972 00

Allotment:	Experimental Refrigeration Installation	18,821 89
	Expenditures	\$ 18,821 89

Comments on Expenditures

Represents the reimbursement to the National Research Council for the cost of portable machinery used to refrigerate ordinary stowage space on merchant vessels and thereby assist in the transportation of perishable foods.

Allotment:	Advertising re the reduction of the domestic consumption of pork products, bacon and ham	350 00
	Expenditures	349 08
	Lapsed	\$ 92

Allotment:	Egg Production Program—Administration	6,500 00
	Expenditures	6,404 38
	Lapsed	\$ 95 62

AUDITOR GENERAL'S REPORT

AGRICULTURE—*Con.*

Comments on Expenditures

As of March 31, 1942, there was 1 employee paid from this allotment. H. B. Donovan was receiving an annual salary of \$6,000 on that date. Total salary paid amounted to \$4,274.19, travelling expenses to \$1,292.81 and other sundry expenses to \$837.38.

<i>Allotment: Experimental Shipment of Eggs to Great Britain</i>	1,828 79
<i>Expenditures</i>	\$ 1,828 79

Comments on Expenditures

Three experimental shipments of eggs were made to Great Britain with the understanding that payments would be based on their quality on arrival overseas. An amount of \$1,166.20 has been paid into the Treasury and has been credited to the 1942-43 Revenue Account.

<i>Allotment: Advertising Campaign to Increase the Production of Eggs</i> ..	3,500 00
<i>Expenditures</i>	1,979 48
<i>Lapsed</i>	\$ 1,520 52

Comments on Expenditures

Represents the cost of pamphlets printed by the King's Printer.

<i>Allotment: Bacon Hog Advertising</i>	30,800 00
<i>Expenditures</i>	29,434 28
<i>Lapsed</i>	\$ 1,365 72

Comments on Expenditures

Represents payments made to the Canadian Advertising Agency Ltd., Montreal, for announcements in newspapers, farm papers, etc., of matters connected with bacon hog production.

<i>Allotment: Inspection and Grading of Fibre Flax</i>	8,000 00
<i>Expenditures</i>	5,855 29
<i>Lapsed</i>	\$ 2,144 71

Comments on Expenditures

As of March 31, 1942, there were 6 employees paid from this allotment. V. A. Minne was receiving an annual salary of \$2,400 on that date. Total salaries paid amounted to \$3,311.88 and travelling expenses to \$2,543.41.

<i>Allotment: Purchase of Fibre Flax Seed</i>	40,000 00
<i>Expenditures</i>	32,114 33
<i>Lapsed</i>	\$ 7,885 67

Comments on Expenditures

To ensure sufficient seeding supplies of flax seed in Canada and to fulfill contracts entered into with the Government of Northern Ireland, the Agricultural Supplies Board was authorized to control the purchase and sale of flax seed.

AGRICULTURE—*Con.*

The following is a statement of transactions conducted since the program was put into effect in 1939.

	<u>Bushels purchased</u>	<u>Paid</u>	<u>Bushels sold</u>	<u>Received</u>
1941-42	8,631	32,114 33	10,393	53,045 30
Previous years	56,313	292,797 25	*47,758	*249,979 61
On hand			6,793	21,886 67
	<u>64,944</u>	<u>\$324,911 58</u>	<u>64,944</u>	<u>\$324,911 58</u>

*Includes 250 bushels valued at \$1,399.46 which were transferred to the Central Experimental Farm without charge and an amount of \$73.49 reported in Casual Revenue 1940-41.

Allotment: Dominion-Provincial Joint Seed Program	5,000 00
Expenditures	316 94
Lapsed	\$ 4,683 06

Comments on Expenditures

Represents the Dominion's share of half the cost of certain field root and garden vegetable seeds ordinarily supplied by European countries. A refund of \$44.04 appears under Special War Receipts.

Allotment: Bacon Board Administration	55,267 01
Expenditures	53,358 31
Lapsed	\$ 1,908 70

Comments on Expenditures

As of March 31, 1942, there were 14 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): A. A. Barton, \$4,800, living allowance, \$900; D. J. Perry, \$4,200, living allowance, \$600; C. J. Servais, \$3,000 (Oct. 1); J. Taylor, \$3,600. Total salaries paid amounted to \$25,912.41, travelling expenses to \$8,603.58 and other sundry expenses to \$18,842.32.

Allotment: Subsidy to increase the Export Bacon price to secure adequate supplies for the United Kingdom	2,281,264 99
Expenditures	\$2,281,264 99

Comments on Expenditures

Since 1939 Canada has undertaken to supply Britain with certain quantities of bacon and other pork products at prices mutually agreed upon.

In the course of an agreement extending from November 1, 1940, to October 31, 1941, it became apparent that higher prices prevailing in the United States would produce a diversion of supplies to that market to the detriment of Britain's requirements.

To overcome this condition the British Ministry of Food agreed to a revision of their basic price to a certain degree, with the understanding that Canada would bear any additional cost should United States prices continue to advance.

A continued rise in the United States market compelled Canada to supplement the prices being paid by the British Ministry of Food in order to maintain the flow of supplies.

Consequently, an allotment was authorized for this purpose and subsidies were paid to shippers for the balance of the agreement on the following basis: 75 cents per 100 pounds from June 2, 1941, \$1.50 per 100 pounds from June 24, 1941, and \$2.50 per 100 pounds from July 23, 1941.

AGRICULTURE—*Con.*

<i>Allotment: Dairy Products Board Administration</i>	12,381 05
<i>Expenditures</i>	10,919 18
<i>Lapsed</i>	\$ 1,461 87

Comments on Expenditures

As of March 31, 1942, there were 4 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 on that date. Total salaries paid amounted to \$4,268.89, travelling expenses to \$1,989.29 and other sundry expenses to \$4,661.

<i>Allotment: Payments on cheese exports to the United Kingdom</i>	1,950,000 00
<i>Expenditures</i>	1,784,404 97
<i>Lapsed</i>	\$ 165,595 03

Comments on Expenditures

Under an agreement with the British Ministry of Food the Dairy Products Board undertook to obtain a minimum of 112,000,000 pounds of cheese for shipment during the twelve months ended March 31, 1942.

To stimulate production and ensure fulfilment of the contract it was found necessary to supplement the prices being paid by the British Ministry by a payment from Canadian funds. An allotment was provided for this purpose and, with the approval of the Governor in Council, a payment of six-tenths of a cent per pound was made to exporters on cheese shipped under the agreement.

Subsequently it was found that the supplementary payment did not result in increased production as anticipated and an increase to one and six-tenths cents was authorized.

Expenditures hereunder represent payments at six-tenths of a cent per pound on 6,185,589 pounds and at one and six-tenths cents per pound on 109,205,881 pounds.

<i>Allotment: Disposal of Agricultural Products rendered surplus by the war</i>	2,705,000 00
<i>Expenditures</i>	2,259,944 15
<i>Lapsed</i>	\$ 445,055 85

Expenditures

A Nova Scotia Apple Agreement, 1940	124,719 91
B Nova Scotia Apple Agreement, 1941	1,638,364 42
C British Columbia Apple Agreement, 1940	181,810 04
D British Columbia Apple Agreement, 1941	311,230 68
E Ontario Apple Agreement, 1940	3,819 10
	\$2,259,944 15

Comments on Expenditures

A Expenditures hereunder represent the following outlays on account of agreements made in the years 1939 and 1940: storage and labelling, \$51,019.67, freight, etc., \$69,562.61, additional allowance *re* processing, \$3,947.22, reimbursement for spoiled product, \$190.41.

All Government-owned processed apples of the 1939 crop have been disposed of and the agreement terminated. Of the 1940 crop, approximately 416,520 cans of Apple Sauce were held in storage for the Minister at the Berwick Fruit Products premises on May 19, 1942.

Receipts from the sale of processed apples amounting to \$1,226,520.35 appear under Special War Receipts.

AGRICULTURE—*Con.*

B To assist in disposing of the 1941 crop of Nova Scotia apples, an agreement was entered into between the Department and the Nova Scotia Apple Marketing Board whereby the Board agreed to market apples grown in the Annapolis Valley at prices authorized by the Minister. The Minister agreed to assist in the marketing of a maximum quantity of 1,500,000 barrels of apples of specified varieties, grades and sizes, by paying to the Board:

- (a) The amounts by which the total f.o.b. value of sales of apples averaged less than \$2.35 per barrel from apples sold for fresh consumption and \$2 per barrel from other sales or disposal,
- (b) \$1.30 per barrel for any quantity by which the total of apples as above might be less than 1,250,000 barrels,
- (c) processing charges on apples sent to processors (including the cost of delivery to processing plants) and storage on product remaining on hand beyond thirty days.

Expenditures cover the following payments: allowance on fresh apples, \$1,489 (subsequently adjusted in favour of the Department as the average price realized by the Board was not less than \$2.35 per barrel); allowance at \$1.30 per barrel on the deficiency in the number of barrels disposed of by the Board, (partial payment) \$290,020.80; purchase of apples for processing for the Minister's account, \$1,011,985.07, trucking charges, \$40,865.55, processing charges, \$279,173.52, freight on processed fruit sold, \$9,333.61; storage and labelling charges, 1940 crop, \$5,496.87.

Receipts from the sale of evaporated apples amounting to \$288,126.30 appear under Special War Receipts.

C Represents final settlement with the British Columbia Fruit Board for apples sold or otherwise disposed of, \$616,193.99, storage charges, \$13,198.86, deficiency in the sale of Jonathan apples, \$147,000; *Less*—\$600,000 advanced in the fiscal year 1940-41 and \$740.64 freight previously paid.

Included also are additional freight charges \$6,157.83, on apples intended for export but which were sold in the domestic market.

D To assist the growers of apples in the Okanagan Valley to market their 1941 crop, an agreement was entered into between the Department and the British Columbia Fruit Board whereby the Minister agreed to assist in the marketing of apples of specified varieties, grades and sizes, by purchasing from the Board 1,500,000 boxes at \$1.15 per box f.o.b. shipping points in the Okanagan Valley, and by paying to the Board the amount of 40 cents per box for any quantity by which the total sales may be less than 4,600,000 boxes.

The expenditures represent the following charges: the amount by which the guarantee of \$1.15 per box exceeded the proceeds from the sale of 1,199,990 boxes of apples to the British Ministry of Food, \$46,312.28; allowance on 662,296 boxes, the deficiency in the total number disposed of by the Board, \$264,918.40.

E Expenditures hereunder represent payments to the Ontario Fruit Export Association as follows: purchase of 1,782 barrels of apples, \$1,909.50; the difference between a guaranteed price and the amount realized from the sale of 3,245 barrels of apples, \$1,564.91; an allowance of 40 cents per hundred pounds on 86,172 pounds of apples purchased for canning, \$344.69.

Allotment: Special Products Board Administration	13,034 64
Expenditures	\$ 13,034 64

Comments on Expenditures

As of March 31, 1942, there were 2 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date. Total salaries paid amounted to \$1,312.02, travelling expenses to \$4,014.01 and other sundry expenses to \$7,708.61.

AGRICULTURE—*Con.*

<i>Allotment: Services of such forwarding agencies as are required in connection with the shipment of fruit and vegetables under contracts with the British Ministry of Food</i>	<i>6,000 00</i>
<i>Expenditures</i>	<i>674 25</i>

Lapsed \$ *5,325 75*

<i>Allotment: Subsidy on Export Eggs</i>	<i>398,931 06</i>
<i>Expenditures</i>	<i>304,656 00</i>

Lapsed \$ *94,275 06*

Comments on Expenditures

During the summer of 1941 the British Ministry of Food placed an order for certain quantities of Canadian eggs; 770,000 cases for shipment between January 1 and May 31, 1942, and 500,000 cases to be placed in storage for shipment in the fall of 1942.

Although the prices agreed upon were considered satisfactory at the time, several factors combined to render more difficult the assurance of supplies for export; added to these was a request from Britain that the percentage of grade A eggs be increased.

To encourage production and to maintain a high quality to meet the requirements of the British Ministry of Food it was decided to authorize the payment, from Canadian funds, of a bonus of three cents per dozen on all grade A eggs exported under the order, and to prevent deterioration which might occur through delays occasioned by shipping difficulties, a process of oil dipping was adopted for which an additional one-half cent per dozen was authorized.

The above expenditures, therefore, represent payments to exporters on 10,034,820 dozens at the three-cent bonus rate and on 722,280 dozens at the oil-dipping rate of one-half cent per dozen.

<i>Allotment: Freight Assistance on Western Feed Grains</i>	<i>4,970,046 85</i>
<i>Expenditures</i>	<i>3,971,650 01</i>

Lapsed \$ *998,396 84*

Comments on Expenditures

Authority for the payment of Freight Assistance on the movement of certain western grains used for live stock feeding purposes was provided under the following Orders in Council: P.C. 7352, 8396 and 8989.

The audit revealed certain inconsistencies which were pointed out to the Treasury Office and resulted in the re-examination of all certificates accepted and in the issue of amending Orders in Council, P.C. 428 and 2163, the latter clarifying the intent of P.C. 8989 and reducing the rates of subsidy payable by \$2.30 per ton on carload lots of mill-feed shipped to British Columbia.

<i>Allotment: Payment to increase Income of Farmers in the Spring</i>	
<i>Wheat Area of Western Canada</i>	<i>18,000,000 00</i>
<i>Expenditures</i>	<i>16,298,504 31</i>

Lapsed \$ *1,701,495 69*

Comments on Expenditures

In view of the prospective inadequacy of returns from wheat and other grains produced in the Spring wheat area of Western Canada the Prairie Farm Income plan was put into effect to augment the income of the farmers by approximately \$20,000,000.

AGRICULTURE—*Conc.*

Regulations governing the method of distribution were established by P.C. 8126 dated October 22, 1941, wherein provision was made for the payment of seventy-five cents per acre on one-half of the cultivated acreage of each farm with a maximum payment of \$150 per farm; the crop yield having no bearing on the award.

At the close of the fiscal year 206,506 claims had been approved at a cost of \$16,316,282.62, shared by provinces as follows:—

Province	Claims approved	Amount paid	Unliquidated
Manitoba	2,863,416 91	2,862,644 62	772 29
Saskatchewan	9,228,370 82	9,213,772 64	14,598 18
Alberta	4,223,798 54	4,222,087 05	1,711 49
	<u>\$16,315,586 27</u>	<u>\$16,298,504 31</u>	<u>\$17,081 96</u>

P.C. 8126 further provided that the administrative work in connection with this plan be undertaken by the organization established for the Prairie Farm Assistance Act and the Wheat Acreage Reduction Regulations and that all administrative expenses be paid out of monies provided for the administration of the Prairie Farm Assistance Act and/or the Wheat Acreage Reduction Regulations. The following administrative costs were therefore charged under Vote 422: Wages, \$72,125.20; Travel, \$32,630.31; Miscellaneous, \$89.16.

AUDITOR GENERAL'S OFFICE

SPECIAL WAR RECEIPTS

<i>Refunds on account of services rendered by the Auditor General's Office in 1940-41</i>	<i>\$ 9,137 00</i>
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Certified correct.

R. S. GLASS,
Assistant Auditor General.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Following are the names of firms and the amounts received: Allied War Supplies, \$1,302; Atlas Plant Extension, Ltd., \$200; Citadel Merchandising Co., Ltd., \$1,625; Fairmont Co., Ltd., \$1,150; Federal Aircraft, \$1,575; Melbourne Merchandising, Ltd., \$325; Plateau Co., Ltd., \$55; Research Enterprises, Ltd., \$875; Small Arms, Ltd., \$1,950; Wartime Housing, Ltd., \$80.

EXPENDITURES

	Allotments	Expenditures	Lapsed
Audit of War Expenditure	169,950 00	134,331 91	35,618 09
Total	<u>\$ 169,950 00</u>	<u>\$ 134,331 91</u>	<u>\$ 35,618 09</u>

Comments on Expenditures

The gross expenditure under the allotment from the War Appropriation Act was \$176,677.00. Refunds on account of services rendered by the Auditor General's Office were obtained, amounting to \$42,345.09 made up as follows: Allied War Supplies, \$2,126.16; Foreign Exchange Control Board, \$1,211.55; Sorel Industries, Ltd., \$3,325 and United Kingdom Technical Mission, \$35,682.38. Thus the actual net expenditure was \$134,331.91.

AUDITOR GENERAL'S OFFICE—*Conc.*

As of March 31, 1942, there were 122 employees paid from this allotment, including nine employed overseas. Total salaries amounted to \$144,912.05 including \$11,280.41 paid to overseas employees. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. A. Bell, \$3,240; J. Bevan (overseas), £800; J. F. Black, \$2,800; E. C. Collins, \$3,300; E. M. Colson, \$2,400; I. O. Ferguson, \$2,400; R. W. Glass, \$2,400; A. E. Green, \$3,600; T. H. J. Illsey, \$3,000; G. W. Ker, \$2,600; G. R. Long, \$2,400; F. E. Maxie, \$3,000 (May 27); B. A. Millar, \$3,420; L. T. Muirhead, \$2,700; W. R. Peck, \$3,000; W. H. Power, \$2,400; N. F. W. Pragnell, \$3,900; P. C. Rogers, \$2,400; G. M. Ross, \$3,600; J. S. Ross, \$3,000; T. M. Ross, \$3,900; F. Scott, \$3,000 (Mar. 22); G. C. Smart, \$2,400; J. V. Steele, \$2,400; A. B. Stokes, \$2,400; D. R. Wilkins, \$2,400; J. D. Williams, \$3,480 (Aug. 20).

Travelling expenses amounted to \$33,316.39. Employees receiving in excess of \$300 were as follows: J. Bevan (overseas), \$656.60; C. E. Cheney, \$306.85; E. L. Fennell, \$348.48; R. W. Glass, \$510.86; J. Hopkinson, \$331.09; W. A. Johnston, \$428.85; L. Kent, \$326.02; J. A. Kidd, \$960.36; J. G. Lumsden (overseas), \$2,619.66 including a per diem allowance of \$7 from April 1, 1941, to February 28, 1942, authorized by Treasury Board Minute T. 195404 B. of June 11, 1940; R. Magee, \$431.72; B. A. Millar, \$727.80; N. F. W. Pragnell, \$303.05; G. M. Ross, \$562.88; J. S. Ross, \$938.73; J. G. E. Sawyer, \$714.85; Watson Sellar, \$530.51; R. S. Somerville, \$625.04; M. I. Stevenson, \$1,204.42; A. F. Turner, \$371.88; D. R. Wilkins, \$668.49.

Expenditure for stationery, office equipment and supplies was \$6,116.80, including \$438.64 for the overseas office.

CIVIL SERVICE COMMISSION

	Allotments	Expenditures	Lapsed
A Salaries	156,500 00	155,207 48	1,292 52
B Cost of holding examinations	17,200 00	17,106 83	93 17
C Printing and Stationery	34,500 00	34,039 48	460 52
D Sundries including travel	33,800 00	29,379 87	4,420 13
Total	\$ 242,000 00	\$ 235,733 66	\$ 6,266 34

Comments on Expenditures

A Under the allotment for expenditures in connection with the supply of personnel for war services \$155,207.48 was spent. As of March 31, 1942, there were 222 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: J. S. Anderson \$2,520; H. H. Field, \$2,520; W. M. Grant, \$2,520; E. N. Grantham, \$3,120; L. F. Heyding, \$2,520; E. E. Kidd, \$2,520; R. K. Moore, \$2,520; J. C. Rutledge, \$2,520; E. E. Spencer, \$3,120; N. A. Thompson, \$2,820; P. W. Walters, \$2,520.

B The cost of holding examinations was \$17,106.83. Fees of presiding and assisting examiners at \$10 and \$5 a day respectively were \$7,986.26; marking papers cost \$5,827.78; rent of examination halls, janitor service, etc., amounted to \$3,134.96.

C Printing cost \$12,484.76 and stationery \$21,551.52.

D Travelling expenses amounted to \$14,867.75. Names of officers whose travel was over \$300 follow: N. R. Boutin, \$815.45; R. D. Boyd, \$1,444.90; W. G. Doherty, \$510.51; E. N. Grantham, \$1,070.88; S. D. Hemsley, \$563.30; J. T. J. Lafortune, \$935.80; J. A. O. Lefebvre, \$1,646.80; L. W. Moffit, \$726.62; R. K. Moore, \$1,456.01; M. Munro, \$399.75; L. E. Smith, \$382.33; D. Watters, \$562.90.

Sundry expenses amounted to \$14,512.12. They include \$1,992.64 for advertising and \$11,190.34 for telegraph and telephone messages.

DEPARTMENT OF EXTERNAL AFFAIRS

SPECIAL WAR RECEIPTS

Refunds of previous year's war expenditures\$ 1,158 70

Certified correct.

N. A. ROBERTSON,

Under-Secretary of State for External Affairs.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

This amount is a refund of cost of transportation paid for Mrs. J. B. Cochrane and son from Victoria, B.C., to India, which was charged to War Allotment—Departmental Administration, 1940-41.

EXPENDITURES

	<u>Allotments</u>	<u>Expenditures</u>	<u>Lapsed</u>
Departmental Administration and Passport Office	245,000 00	243,242 70	1,757 30
Prime Minister's Office—Work incidental to the War	10,425 00	9,581 55	843 45
Representation Abroad	79,700 00	73,767 65	5,932 35
Consular Services—St. Pierre and Miquelon ..	3,600 00	3,540 58	59 42
Evacuation of Staff	4,225 00	1,005 45	3,219 55
Expenditures in connection with payments to Canadian Government Employees evacuated from enemy-occupied Countries.....	9,000 00	7,650 00	1,350 00
Evacuation of Offices Abroad	23,500 00	23,387 78	112 22
Canada-United States Permanent Joint Board on Defence	4,200 00	2,222 27	1,977 73
Canadian Section of the Joint Economic Committee	17,294 00	15,808 46	1,485 54
Expenses in connection with the Visit of the Right Honourable Winston Churchill	4,017 94	4,017 94	
Total	<u>\$ 400,961 94</u>	<u>\$ 384,224 38</u>	<u>\$ 16,737 56</u>

Allotment: Departmental Administration and Passport Office 245,000 00
Expenditures 243,242 70
Lapsed\$ 1,757 30

Comments on Expenditures

As of March 31, 1942, there were 132 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: H. F. Angus, \$6,600; G. P. Glazebrook, \$5,000; M. Scott, \$4,500. The total amount spent for salaries was \$118,115.69. Travelling expenses were \$3,776.95, and the following received \$300 or over: Rt. Hon. W. L. Mackenzie King, \$780.83; J. S. Nicol, \$313.12; J. W. Pickersgill, \$438.35 and W. J. Turnbull, \$379.52.

DEPARTMENT OF EXTERNAL AFFAIRS—*Con.*

Cost of a telekrypton machine was \$1,665; rent of teletype machines, \$2,014.31 with customs duty, etc., \$890.90. Printing and stationery supplies amounted to \$74,091.04; postage, \$5,641.33, and telegrams and telephones, \$33,868.36.

<i>Allotment: Office of the Prime Minister</i>	10,425 00
<i>Expenditures</i>	9,581 55
<i>Lapsed</i>	\$ 843 45

Comments on Expenditures

As of March 31, 1942, there were 8 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date.

<i>Allotment: Representation Abroad</i>	79,700 00
<i>Expenditures</i>	73,767 65
<i>Lapsed</i>	\$ 5,932 35

Comments on Expenditures

An amount of \$60,350.38 was used from this allotment for war expenditures at Washington. As of March 31, 1942, there were 8 employees with salaries and allowances totalling \$21,274.67. The following were receiving annual salaries of \$2,400 or over on that date: G. L. Magann, \$6,000, allowance, \$2,850; P. Reading, \$6,000, allowance, \$2,850; allowances at \$33.25 per month were paid to 6 veteran guards of Canada. Travelling expenses amounted to \$2,219.36, including \$643.97 for P. Reading and his removal expenses of \$778.70; and an advance (outstanding) of \$425 to Eastern Air Lines. Printing and stationery supplies amounted to \$4,019.58; rent of offices, \$3,175; office furnishings, \$9,570.77 and telegrams and telephones, \$6,641.22. A telekrypton machine cost \$1,500 and 2 fire escapes, \$2,312; exchange on U.S. funds was \$4,162.50.

An amount of \$7,737.46 was spent for the London Office. As of March 31, 1942, there were 3 employees with salaries and allowances totalling \$7,478.27. The following were receiving annual salaries of \$2,400 or over on that date: G. Ignatieff, \$2,520, allowance, \$1,125; D. M. Johnson, \$3,800, allowance, \$1,350. J. Spence has an outstanding advance of \$225.

An amount of \$5,679.81 was spent for Paris, Brussels and The Hague (office in London). Dr. Rene Loicq received \$5,000 in complete settlement of all claims arising out of the lease of the Canadian Legation at Brussels before the invasion. Travelling expenses for P. Dupuy amounted to \$1,145.51 (including \$465.70, advanced 1940-41).

<i>Allotment: Consular Services, St. Pierre and Miquelon</i>	3,600 00
<i>Expenditures</i>	3,540 58
<i>Lapsed</i>	\$ 59 42

Comments on Expenditures

P.C. 6439 of August 19, 1941, authorized the establishment of a Canadian Consulate in the Colony of St. Pierre and Miquelon. C. E. Eberts was appointed Vice-Consul for Canada from Sept. 1, 1941, with the local rank of Acting Consul there, at a salary of \$2,520 and allowance \$450; he also received \$560.88 for travelling and removal expenses.

<i>Allotment: Evacuation of Staff</i>	4,225 00
<i>Expenditures</i>	1,005 45
<i>Lapsed</i>	\$ 3,219 55

Comments on Expenditures

Payments were made as follows: Mrs. L. Mayrand and 2 children, \$377.40; Corp. R. G. McDowell, R.C.M.P., \$118.77; Mrs. E. H. Norman, \$509.28.

DEPARTMENT OF EXTERNAL AFFAIRS—*Conc.*

<i>Allotment: Payments to Canadian Government Employees evacuated from enemy-occupied countries</i>	9,000 00
<i>Expenditures</i>	7,650 00
<i>Lapsed</i>	\$ 1,350 00

Comments on Expenditures

Payments to assist in the replacement of household goods and personal effects lost in enemy-occupied countries were made as follows:—

Paris: Brig. G. P. Vanier, \$1,000; P. Dupuy, \$1,000; D. C. U. Simson, \$1,000; L. Chopin, \$100; G. Clement, \$150; O. Park, \$200; N. Stevenson, \$200.

Brussels and The Hague: J. Desy, \$1,000; P. E. Renaud, \$1,000.

L. Mayrand was paid \$2,000 compensation for household goods destroyed by enemy bombing of London in 1940.

<i>Allotment: Evacuation of Offices Abroad</i>	23,500 00
<i>Expenditures</i>	23,387 78
<i>Lapsed</i>	\$ 112 22

Comments on Expenditures

This allotment covers expenses in connection with the rent and upkeep of quarters in the country for the possibility of evacuating the office from London; expenses in connection with the rent and upkeep of suitable alternative office accommodation in London in case Canada House should be made uninhabitable by bombing, and cost of air raid shelter, supplies, etc.

<i>Allotment: Permanent Joint Board on Defence</i>	4,200 00
<i>Expenditures</i>	2,222 27
<i>Lapsed</i>	\$ 1,977 73

Comments on Expenditures

Travelling expenses of the members of the Canadian section of the Board were paid to the following: Col. O. M. Biggar, chairman, \$777.46; H. L. Keenleyside, secretary, \$506.15; Brig. G. P. Vanier, \$208.10. Entertainment expenses of \$442.29 were authorized by Treasury Board.

<i>Allotment: Expenses of Canadian Section of Joint Economic Committee</i>	17,294 00
<i>Expenditures</i>	15,808 46
<i>Lapsed</i>	\$ 1,485 54

Comments on Expenditures

As of March 31, 1942, there were 6 employees paid from this allotment with salaries totalling \$10,292.50. The following were receiving salaries of \$2,400 or over on that date J. R. Baldwin, \$3,600; J. F. Parkinson, \$3,600.

Travelling expenses were \$4,514.72 and the following received \$300 or over: H. F. Angus \$530.15; J. R. Baldwin, \$316.23; G. Bouchard, \$396.12; J. J. Deutsch, \$884.22; H. L. Keenleyside, \$329.28; A. Skelton, \$719.55.

Office expenses amounted to \$1,001.24.

<i>Allotment: Expenses in connection with the visit of the Right Honourable Winston Churchill</i>	4,017 94
<i>Expenditures</i>	\$ 4,017 94

DEPARTMENT OF FINANCE

	<u>Allotments</u>	<u>Expenditures</u>	<u>Lapsed</u>
Comptroller of the Treasury's Office—Work incidental to the War	3,870,000 00	3,866,391 17	3,608 83
Royal Canadian Mint—Expenses in connection with the increased demand for Coinage attributable to the War	92,338 00	79,181 52	13,156 48
Payment of premiums on the purchase of Dominion of Canada Registered Stock	8,125,000 00	8,100,452 31	24,547 69
Wartime Prices and Trade Board			
Administration	1,208,234 40	1,203,585 67	4,648 73
Furniture and Equipment	94,408 34	94,408 34	
Licensing Division for the control of Food Prices in Canada	139,026 54	138,994 60	31 94
Subsidies due to application of order placing ceiling over all prices—			
Dominion Steel and Coal Corporation....	1,810,000 00	1,810,000 00	
Canadian Furnace Limited, Port Colborne, Ont.	125,000 00	119,962 06	5,037 94
Payment of freight from Sydney, N.S., to Montreal, Que., on not more than five thousand gross tons of Steel Billets monthly from November 1st, 1941 to March 31, 1942, both inclusive, such Steel Billets being shipped from Dominion Steel and Coal Corporation Ltd. to Steel Company of Canada, Ltd.	107,500 00	83,230 41	24,269 59
For Deposit to the credit of the Commodity Prices Stabilization Corporation Ltd. with the Bank of Canada	5,000,000 00	1,228,870 13	3,771,129 87
Total	<u>\$ 20,571,507 28</u>	<u>\$ 16,725,076 21</u>	<u>\$3,846,431 07</u>

Allotment: Comptroller of the Treasury—Work incidental to the War..	3,870,000 00
Expenditures	3,866,391 17
Lapsed	\$ 3,608 83

Comments on Expenditures

This allotment was provided to cover the expenses in connection with the provision of accounting services for the several defence departments, the Dependents' Allowance offices, the Overseas office of the Comptroller of the Treasury, and other services incidental to the war.

The following is a classification of the expenditures charged to the allotment, which are in addition to those charged to Vote 65 and 112: salaries, \$2,968,404.15; travelling expenses and living allowances, \$165,847.73; printing and stationery, \$453,370.12; rent of equipment, \$112,149.88; construction of building by contract, \$16,470.91; sundries, \$150,148.38.

Salaries of permanent employees engaged in work incidental to the war were charged to Vote 65, and salaries of temporary employees were charged to the allotment from the War Appropriation. As of March 31, 1942, there were 3,442 temporary employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): D. Abeles, \$2,700; J. M. Alexander, \$2,700; H. J.

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Armstrong, \$4,140; H. W. Armstrong, \$2,700; W. G. Armstrong, \$2,700; W. J. Arnall, \$2,700; J. C. D. Atkins, \$2,700; A. W. Babcock, \$3,600; W. M. Baker, \$3,600; V. G. Barnett, \$2,700; H. S. Bates, \$3,120; H. V. Beach, \$2,700; J. B. Belanger, \$3,300; L. A. R. Bertie, \$2,700; F. G. Black, \$3,000; D. M. Blanchard, \$3,120; E. R. Bluethner, \$2,700; A. E. Bradfield, \$2,700; C. N. Brennan, \$3,120; A. L. Brown, \$3,600; C. A. C. Brown, \$2,700 (May 1); L. T. Browne, \$2,800; C. A. Buchanan, \$3,120; M. T. Buchanan, \$2,700; A. W. Burns, \$3,300; L. J. Bush, \$2,700; P. A. Butterworth, \$2,700; J. G. Cameron, \$3,120; A. F. D. Campbell, \$3,120; W. H. Caulfield, \$4,140; W. S. Chandler, \$3,000; W. Charlton, \$3,000; A. A. Cherry, \$3,120; T. W. Chisholm, \$3,120; J. W. Christie, \$2,400; E. R. Clarke, \$3,120 (July 1); H. E. Clayton, \$3,120; E. P. Cohn, \$2,700; D. H. Connor, \$3,900; J. H. Cook, \$2,700; M. P. Cooney, \$3,120; E. B. Corbould, \$2,700; K. B. Cornfoot, \$2,400; N. S. Cowan, \$3,120; A. J. Cox, \$3,120; C. M. Culross, \$3,120; E. M. Curran, \$3,900 (Mar. 1); T. S. Currie, \$3,120; T. L. Daniels, \$3,600 (Dec. 14); R. H. Dean, \$3,120; T. deWolf, \$4,800; J. B. Dierssen, \$3,360; G. V. Draper, \$4,140; D. A. Edgar, \$3,120; R. P. E. Egerton, \$3,120 (Jan. 18); L. Eiler, \$4,800; H. R. Emond, \$3,120; F. Engeland, \$3,120 (Sept. 19); J. M. Fancy, \$2,700 (Mar. 3, noon); S. Farquharson, \$3,120; H. W. Fielden, \$4,800; J. C. Firth, \$2,400; P. T. Flanagan, \$3,120; O. D. Fletcher, \$2,400; O. C. Frood, \$2,520; F. J. Gaboury, \$3,120; B. H. Galbraith, \$2,700; H. R. Gerrie, \$3,120; J. Gingras, \$3,120; H. Giroux, \$2,700; S. W. Graham, \$3,120; D. B. Grant, \$3,120; W. Griffiths, \$4,140; J. D. Hague, \$2,700; H. D. Hall, \$2,700; V. R. Hawkins, \$2,400; H. F. Hickey, \$3,120; W. E. Hill, \$2,700 (Apr. 23); G. F. Hogarth, \$3,120; H. E. Humphry, \$2,400; J. Hunter, \$3,600; F. L. Ibbs, \$3,000; G. H. Ince, \$3,120; H. W. Jackson, \$3,120; W. A. Jackson, \$2,700; G. James, \$2,700 (Mar. 2); E. A. Jeffreys, \$3,600; H. Johnson, \$3,120; H. W. Johnson, \$2,700; F. J. Jones, \$2,700; W. T. Kellock, \$2,700; R. A. Kerr, \$3,600; C. E. Lee, \$2,700; E. Lee, \$3,486.60; J. Lee, \$3,120; R. C. Loree, \$2,700; J. H. Luff, \$2,700; J. A. MacFeeters, \$3,600; F. G. MacInnes, \$3,120; W. MacKenzie, \$3,000; A. J. Mason, \$2,400; W. J. McCreight, \$3,600; J. M. McKee, \$3,120; M. S. McLean, \$3,600; M. A. McParland, \$3,120; S. A. Morrison, \$3,600; A. J. Mouncey, \$3,120 (Nov. 16); J. C. Munro, \$3,000; F. J. Newman, \$3,000; C. W. Nickel, \$2,700; N. Paddon, \$2,700; G. H. Pelton, \$3,120; S. H. Pettitt, \$4,800; H. E. Pike, \$2,700; C. A. L. Poudrier, \$2,700 (Oct. 1); L. D. Preston, \$3,120; J. V. Price, \$4,140; J. Purse, \$3,120; C. A. Rannie, \$2,700; O. C. Redpath, \$2,400; H. Richards, \$3,000; F. Richardson, \$4,140 (Apr. 8); E. N. Robson, \$3,120; H. M. Ross, \$3,000; J. N. Rougvie, \$3,600; J. Russell, \$2,700; J. H. Sayles, \$3,120; R. D. Scott, \$3,120; W. R. Seaborn, \$3,300; A. C. Seale, \$2,400; H. J. Sender, \$2,700; T. A. Sephton, \$4,140; R. F. Shaver, \$2,700; F. T. Shearns, \$4,800; H. R. H. Smith, \$3,120; D. Sprague, \$3,600; W. C. R. Springs, \$2,520; P. M. Sproule, \$3,120; H. A. Staines, \$3,120; R. H. Stainforth, \$2,700; E. S. Stapleton, \$4,140; E. A. Stockwell, \$3,900; E. J. Sullivan, \$2,700; B. H. Tanner, \$3,120; A. I. Taylor, \$2,700; K. P. Thorne, \$3,000; E. Tighe, \$4,800; R. H. Tompkins, \$2,700; W. J. Tubman, \$2,700; T. H. Tweltridge, \$2,400; J. B. Waterhouse, \$3,600; H. Wellein, \$3,600; H. O. White, \$3,000; E. L. Wilson, \$3,120; A. C. Woolley, \$3,120; N. Wigglesworth, \$2,700; W. Wyllie, \$2,700.

One employee was receiving an annual war duties supplement on March 31, as follows: A. L. Hopper, \$600.

The following received travelling expenses and living allowances of \$300 or over during the fiscal year: D. Abeles, \$402.13; T. R. C. Anderson, \$463.28; W. J. Arnall, \$462.83; C. D. Atkins, \$1,603.46; A. W. Babcock, \$963.80; W. M. Baker, \$420.51; V. G. Barnett, \$527.80; N. E. Beach, \$2,622.18; J. B. Belanger, \$1,374.85; L. A. R. Bertie, \$434.75; F. G. Black, \$965.28; D. M. Blanchard, \$724.12; E. R. Bluethner, \$302.72; C. N. Brennan, \$388.66; E. J. Brindell, \$643.77; A. L. Brown, \$1,509.81; C. A. Buchanan, \$1,742.80; R. A. Burdett, \$368.24; A. W. Burns, \$458.47; J. G. Cameron, \$389.14; J. M. Cameron, \$1,725.11; D. Campbell, \$528.39; T. Campbell, \$1,304.73; W. H. Caulfield, \$452.94; G. H. Cheney, \$597.87; H. B. Clark, \$363.20; H. E. Clayton, \$751.96; F. G. Coburn, \$1,763.33; E. P. Cohn, \$610.85; J. H. Cook, \$1,432.90; M. P. Cooney, \$392.70; J. S. Cormack, \$1,026.60; K. B. Cornfoot, \$557.16; F. L. Couling, \$532.95; N. S. Cowan, \$860.74; C. M. Culross, \$619.46; E. M. Curran, \$1,565.48; T. S. Currie, \$465.88; T. L. Daniels, \$794.40; F. G. Davies, \$592.29; J. D. Dawson, \$451.12; D. C. Deighton, \$1,089.30; T. deWolf, \$1,877.30; J. B. Dierssen, \$1,046.73; F. W. Donkin, \$1,331.76; R. P. E. Egerton, \$1,191.44; L. S. Eiler, \$907.82; F. Engeland, \$580.50; S. E. Espley, \$526.37; H. R. Emond, \$418.84; J. M. Fancy, \$1,108.90; H. W. Fielden, \$324.01; P. T. Flanagan, \$1,002.30; O. D. Fletcher, \$1,151.85; J. H. Fortin, \$363.35; J. Fisher, \$782.35; F. J. Gaboury, \$1,564.02; J. W. Gardiner, \$1,862.25; H. W. Giles, \$408.70; J. Gingras, \$891.40; L. B. Glover, \$788; S. W. Graham, \$380.30; L. Greene, \$405; W. J. Greenway, \$1,522.45;

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J. D. Hague, \$403.88; P. E. Hall, \$505.02; V. R. Hawkins, \$355.77; H. F. Hickey, \$1,008.04; J. O. Hodgkin, \$2,084.71; G. F. Hogarth, \$335.60; J. O. Hussey, \$2,028.64; F. L. Ibbs, \$420.42; G. H. Ince, \$992.88; H. W. Jackson, \$522.11; T. A. Jaffray, \$309.93; E. A. Jeffreys, \$566.55; M. Johannsson, \$1,193.45; W. T. Kellock, \$513.77; R. A. Kerr, \$692.25; J. M. Lee, \$888.18; J. M. Lomax, \$2,777.01; J. H. Luff, \$552.35; J. A. MacFeeters, \$3,003.61; A. MacLean, \$355.36; K. Mapp, \$1,314.50; A. J. Mason, \$534.21; W. J. McCreight, \$1,968.26; R. E. McCutcheon, \$723.50; D. McGill, \$844.80; J. W. McKinnon, \$483.63; M. S. McLean, \$1,630.59; W. H. Megaffin, \$388.47; S. L. Miller, \$1,505.06; S. A. Morrison, \$2,347.90; W. T. Morrison, \$1,497.10; A. J. Mouncey, \$712.58; J. Novak, \$961.04; G. H. Pelton, \$395.04; S. H. Pettitt, \$2,264.70; T. F. Phillips, \$1,716.90; H. E. G. Pike, \$717.66; R. C. Playfair, \$415.65; L. D. Preston, \$2,361.83; J. V. Price, \$316.18; J. G. Provost, \$723.51; J. Purse, \$902.10; O. C. Redpath, \$323.65; J. G. Reid, \$1,989.45; T. H. Reilley, \$364; G. Reny, \$1,473.48; H. Richards, \$541.35; J. L. Rocque, \$1,485.76; H. M. Ross, \$1,064.30; J. N. Rougvie, \$1,317.57; W. R. Seaborn, \$1,078.94; H. J. Sender, \$751.25; T. A. Sephton, \$1,198.29; G. M. Shaver, \$921.44; R. A. Shaver, \$1,103.05; R. F. Shaver, \$320.73; F. T. Shearns, \$818.02; R. E. Smith, \$1,257.89; D. Sprague, \$1,038.22; P. M. Sproule, \$680.76; H. A. Staines, \$1,547.32; E. S. Stapleton, \$696.53; W. G. Stickney, \$1,065.95; E. A. Stockwell, \$1,319.10; A. E. Smythe, \$360; E. Sladden, \$363; B. H. Tanner, \$1,182.14; K. P. Thorne, \$941.38; F. Turnbull, \$1,189.19; E. K. Turner, \$1,855.09; T. Tweltridge, \$506.03; G. B. Wallis, \$678.96; F. H. Walton, \$685.42; W. D. Walton, \$797.50; J. B. Waterhouse, \$2,339.31; H. Welleim, \$2,242.71; D. L. Westrop, \$1,170.47; H. E. White, \$1,448.91; H. J. White, \$1,713.40; D. G. Whittle, \$417.01; T. G. Willis, \$1,387.03; E. L. Wilson, \$1,012.32; P. B. Wolfe, \$996.20; F. E. Wood, \$756.91; W. K. Younie, \$404.80.

Payments in excess of \$5,000 were made to the following: Public Printing and Stationery, \$433,282.50; International Business Machines Co. of Canada, \$111,909.88 for rental of equipment and \$3,341.85 for sundry services; Post Office Dept., \$26,078.66; Ottawa Electric Railway Co., \$8,470.

P.C. 1228 of Feb. 16, 1942, authorized the execution of a contract with E.G.M. Cape Co. of Montreal for the erection of a building to accommodate the Treasury offices and staff at St. John's, Newfoundland, on a cost plus fee basis. During 1941-42, a progress payment of \$16,470.91 was paid to the company.

An amount of \$3,500 was paid to Haskell Elderkin and Company, chartered accountants for auditing services at the rate of \$500 per month under the provisions of P.C. 8/1249 of February 16, 1942. C. F. Elderkin was also paid \$1,659.80 under the authority of P.C. 15/8817 of November 11, 1941, of which \$1,550 was for accounting services at \$50 per day and \$109.80 for travelling expenses.

<i>Allotment: Royal Canadian Mint</i>	92,338 00
<i>Expenditures</i>	79,181 52
<i>Lapsed</i>	\$ 13,156 48

Comments on Expenditures

These expenditures, which were in addition to those charged to Vote 48, were classified as follows: salaries, \$71,891.92; coining supplies, \$7,289.60.

As of March 31, 1942, there were 55 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date.

Charges for overtime amounted to \$32,214.95 of which \$26,861.35 was paid to employees whose salaries were charged to Vote 48.

<i>Allotment: Premium on purchase of Dominion of Canada Registered Stock 8,125,000 00</i>	
<i>Expenditures</i>	8,100,452 31
<i>Lapsed</i>	\$ 24,547 69

Comments on Expenditures

As a measure for strengthening the financial position of the United Kingdom, the Treasury of the United Kingdom on August 16, 1941, issued an order vesting in it, *inter alia*, certain securities of the Dominion of Canada held by residents of the United Kingdom at

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the following prices payable on October 6, 1941: $3\frac{1}{4}$ per cent 1950-55 stock, £104.2.5; $3\frac{1}{4}$ per cent 1958-63 stock, £104.2.5; 4 per cent 1953-58 stock, £110.12.11. P.C. 7766 of October 8, 1941, authorized the Minister of Finance to purchase all or any of these vested securities of the Government of Canada at the prices stated, together, in the case of securities delivered after October 6, 1941, with interest at such rates not exceeding one per cent per annum as might be approved by the Minister. P.C. 8492 of October 31, 1941, provided that holders of such securities which were not subject to United Kingdom vesting orders might surrender their holdings for redemption at the quotations on the London Stock Exchange, exclusive of accrued interest, on August 15, 1941, as follows: $3\frac{1}{4}$ per cent 1950-55 stock, £102.81; $3\frac{1}{4}$ per cent 1958-63 stock, £103.35; 4 per cent 1953-58 stock, £110.44 together with accrued interest thereon at the coupon rate from the last interest payment date.

The latter order in council also provided that moneys required for the purchase of securities under the authority of P.C. 7766 or P.C. 8492 to the extent of the principal amount thereof but excluding any premiums on the purchase prices be made available out of any unappropriated moneys in the Consolidated Revenue Fund and charged to Redemption of Debt, and the annual interest charges forming part of the purchase price be charged to Interest on Public Debt.

To provide for the payment of premiums on the securities purchased, an amount of \$8,125,000 was allotted from the War Appropriation 1941. Premiums were charged to this allotment at the purchase price of sterling, on account of the following redemptions, calculated at par of exchange: 1950-55 stock, \$41,313,702.61; 1953-58 stock, \$64,510,246.88; 1958-63 stock, \$29,374,026.31. Of the total of \$8,100,452.31 paid for premiums, \$1,061,518.48 was in respect of the 1950-55 loan; \$6,139,158.21 in respect of the 1953-58 loan; and \$899,775.62 in respect of the 1958-63 loan.

Allotment: Wartime Prices and Trade Board, Administration	1,208,234 40
Expenditures	1,203,585 67
Lapsed	\$ 4,648 73

Comments on Expenditures

The Wartime Prices and Trade Board was established by P.C. 2516 of September 3, 1939, to provide safeguards under war conditions against any undue enhancement in the prices of food, fuel and other necessities of life, and to ensure an adequate supply and equitable distribution of such commodities. The regulations were amended on August 28, 1941 by P.C. 6834, extending the jurisdiction of the Board to goods and services, and on November 1, 1941, by P.C. 8527, Maximum Prices Regulations, to be administered by the Board, were made whereby an over-all price ceiling was imposed, and the prices of raw materials and finished goods, and the prices of a number of services were brought under the control of the Board.

Administrative expenses of the Board for the fiscal year totalled \$1,203,585.67 as follows: salaries, \$694,293.01; printing and stationery, \$203,573.15; telephones, \$33,460.73; telegraph, \$20,419.03; legal and auditing, \$9,971.87; travelling expenses and living allowances, \$112,121.10; advertising, \$76,411.71; sundries, \$53,335.07.

As of March 31, 1942, there were 1,425 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. I. Adams, \$2,400; R. W. Adams, \$3,600; E. D. Alexander, \$2,400; J. J. Allan, \$2,400 (May 1); O. S. Alsaker, \$4,000; H. D. Anger, \$5,400; S. E. Anglin, \$2,600; J. M. R. Anstis, \$2,700; J. W. E. Arbour, \$2,400; A. S. Archard, \$3,300; K. E. Archer, \$2,400; R. M. Archer, \$4,600; J. F. Archibald, \$2,400; A. Armand, \$2,400; J. I. Armstrong, \$2,820; W. D. Armstrong, \$2,400; H. N. Arnold, \$3,120; J. Arnold, \$5,000; J. Atkins, \$8,000; F. B. Bagshaw, \$3,600; R. N. Baird, \$2,520; J. A. Ballantyne, \$3,000; J. A. Barber, \$3,000; J. R. A. Baril, \$3,000; D. D. Barrett, \$3,000; B. L. Baulch, \$2,400; C. H. Bavin, \$4,000; C. J. Bayly, \$3,000; J. N. Bayne, \$3,000; A. Belanger, \$2,400; C. Bergithon, \$3,800; J. A. Bernier, \$2,700; H. J. Beveridge, \$3,000; D. W. H. Blackett, \$2,400; J. R. Bonhomme, \$3,000; E. W. Bourque, \$2,400; J. L. Bowlby, \$3,120; C. W. Brazier, \$3,600; B. M. Bremner, \$2,700; G. Britnell, \$5,000; F. R. Brocklebank, \$3,300; R. E. B. Brocklesby, \$3,600; G. G. Brown, \$4,500; R. M. Brown, \$5,000; G. J. Bryan, \$3,600; A. E. K.

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Bunnell, \$4,200; A. G. Burnham, \$3,000; P. M. Byam, \$3,000; C. C. Calder, \$3,000; B. A. C. Caldwell, \$3,600; L. T. Calhoun, \$3,000; C. D. Cameron, \$3,600; L. D. Campbell, \$3,600; W. Campbell, \$4,500; A. A. Carpenter, \$3,000; E. W. Carpenter, \$6,500; R. C. Carr, \$4,800; W. A. Cavers, \$3,000; L. R. Charlton, \$2,400; A. M. Chipman, \$2,800; W. F. Chown, \$3,180; J. F. Clark, \$3,000; P. G. Clarke, \$2,500; L. R. Clibbon, \$3,000; T. A. Climo, \$5,000; A. C. Collins, \$2,820; W. A. Congdon, \$3,000; T. E. Cooper, \$3,000; E. C. Cossitt, \$5,000; S. C. Costigane, \$2,400; T. S. Craig, \$2,600; W. H. Cranston, \$3,000; H. F. Cronkwright, \$2,700; F. W. Cross, \$2,400; D. Crowley, \$2,520; F. Cruice, \$2,470; J. A. Cullen, \$2,700; F. R. Currie, \$4,500; W. G. Currie, \$2,700; A. E. Darby, \$3,000; J. G. Davidson, \$4,500; O. O. Davis, \$2,400; R. L. Davis, \$3,000; K. W. Day, \$3,000; A. Delagrave, \$3,000; C. R. DeMara, \$7,000; J. E. R. Desmarais, \$2,700; F. X. Desrochers, \$2,400; G. Dinsmore, \$4,800; W. R. Dowrey, \$5,000; E. W. Ducharme, \$3,000; G. G. Dunning, \$2,400; R. L. Easton, \$3,000; A. L. Elliott, \$2,400; W. E. Elliott, \$3,800; E. G. Falls, \$2,400; E. J. Farley, \$3,600; J. E. Ferguson, \$5,000; W. E. Foley, \$3,000; R. F. Forbes, \$3,000; H. J. Fosbrooke, \$3,000; C. J. Foster, \$2,600; J. N. Frank, \$3,500; J. E. Friend, \$2,700; M. H. Fyfe, \$3,000; A. Gagnon, \$2,500; G. B. Gallagher, \$3,000; R. W. Gallup, \$3,480; C. H. Genest, \$2,400; J. Gibb, \$3,000; N. L. Gibbons, \$2,400; W. Gillespie, \$3,500; E. R. Gold, \$3,000; M. Golumbia, \$2,700; S. Grandmaison, \$2,400; D. J. Grant, \$3,200; T. P. Gray, \$3,000; W. H. Gray, \$2,600; J. A. Grier, \$3,600; F. S. Grisdale, \$6,000; G. E. Grundy, \$4,200; B. K. Gunn, \$5,000; J. D. Gunn, \$2,400; M. H. Harding, \$2,400; K. S. Harris, \$3,500; W. F. Harrison, \$4,500; A. W. Hart, \$3,000; D. S. Hart, \$6,000; A. J. Hartley, \$2,700; K. W. Harvey, \$5,000; M. M. Hathaway, \$2,700; A. O. Heather, \$4,000; A. M. Henderson, \$8,000; J. C. Henderson, \$2,400; H. M. Higgins, \$3,000; S. L. Holder, \$3,000; E. A. Horton, \$6,300; J. E. Housey, \$3,000; N. H. S. Howard, \$3,900; B. W. Hughes, \$3,600; H. D. Hughes, \$2,400; C. C. Hunt, \$4,200; J. D. Hunt, \$2,400; G. C. Hunter, \$2,500; T. G. Ives, \$2,600; J. A. Jackson, \$4,000; R. W. James, \$2,800; E. G. Jarmain, \$2,600; E. J. Jordon, \$6,000; W. Jones, \$3,000; W. H. Jost, \$3,000; R. Julien, \$2,400; J. J. Kelly, \$3,000; H. R. Kemp, \$6,300; R. Kenwyn, \$2,600; R. W. Kettlewell, \$2,500; W. C. L. Lackey, \$3,300; A. E. Lalonde, \$2,700; W. F. Lambert, \$2,400; E. L. Lamountain, \$3,000; A. A. Lang, \$3,000; J. C. Leaman, \$2,400; R. Leblanc, \$3,600; L. Lebon, \$2,400; D. M. LeBourdais, \$3,500; W. G. Leekie, \$2,400; S. W. Lee, \$4,500; S. C. Legge, \$2,600; F. H. Lehberg, \$2,700; R. C. Leishman, \$2,400; J. E. R. Lesage, \$3,000; H. S. Leybourne, \$5,000; O. Lobley, \$7,000; H. C. Lowrey, \$3,000; O. Lussier, \$3,000; H. H. MacBride, \$2,400; J. M. MacDonald, \$5,400; W. D. MacDonald, \$2,400; A. R. Mackie, \$4,500; K. S. MacKinnon, \$2,400; F. F. MacNab, \$2,800; C. G. MacOdrum, \$4,000; M. C. MacPherson, \$2,400; M. E. Madson, \$2,400; J. S. Maguire, \$2,700; R. W. Main, \$2,820; P. Manley, \$3,500; D. H. Marshall, \$3,000; J. M. Martin, \$2,400; J. C. Matheson, \$2,500; A. May, \$5,000; C. B. McAllister, \$3,000; D. McCarthy, \$2,400; S. McCowan, \$2,400; M. W. McCutcheon, \$6,000; G. McDonald, \$2,500; C. H. McDougal, \$3,600; W. J. McDougall, \$2,400; W. G. McFarlane, \$2,400; D. F. G. McGeer, \$2,400; J. A. McIntosh, \$2,400; A. M. McIntyre, \$3,200; D. McIver, \$2,700; L. R. McKee, \$2,400; J. A. McLaren, \$3,500; H. O. McLellan, \$3,000; R. A. McLeod, \$2,800; T. F. McMorran, \$5,000; R. G. McMullen, \$4,200; H. McPhillips, \$5,000; G. U. Mills, \$2,400; C. H. Mitchell, \$4,680; R. S. Morris, \$5,000; D. A. Morrison, \$2,500; C. S. Moyer, \$3,000; C. A. L. Murchison, \$4,000; R. F. Murray, \$2,400; J. P. Nadeau, \$4,000; L. E. Nadeau, \$3,500; R. F. Nash, \$3,000; A. L. Norman, \$3,000; J. L. O'Brien, \$2,600; J. R. O'Kell, \$2,500; R. J. E. Ouvrard, \$2,700; H. G. Paff, \$4,000; A. W. Palmer, \$3,600; J. J. Panneton, \$2,400; A. G. Parker, \$4,200; L. P. Peltier, \$2,400; R. W. C. Percy, \$2,400; H. Perkins, \$2,500; A. W. Peterson, \$4,140; R. B. Phipps, \$4,500; M. Piche, \$3,000; L. P. Plamondon, \$4,500; W. H. Purdy, \$3,500; F. W. Present, \$4,000 (also paid at the rate of \$4,000 from Agricultural Supplies Board allotment; D. B. Racey, \$3,000; G. G. E. Raley, \$5,000; L. C. Randall, \$2,400; P. P. Ranger, \$2,400; V. J. Reid, \$2,640; G. H. Rennie, \$7,000; M. Reynolds, \$2,400; C. W. Rice, \$3,000; A. A. Ridler, \$4,000; S. M. Robertson, \$2,400; G. S. Robinson, \$4,500; V. B. Robinson, \$4,200; L. C. Robitaille, \$7,000; P. A. Robitaille, \$2,700; P. Rochon, \$2,520; H. J. Roche, \$2,400; C. F. Rogers, \$3,000; H. S. Rosenberg, \$5,000; G. A. M. Ross, \$3,000; G. W. Ross, \$2,400; J. A. Ross, \$4,500; A. Rother, \$3,500; J. A. Rowat, \$2,820; H. E. Roy, \$3,000; J. E. Ruppel, \$2,500; G. Sabiston, \$5,000; W. K. St. John, \$2,700; R. St. Onge, \$3,000; C. L. Samuel, \$2,400; F. T. W. Saunders, \$5,000; G. M. Sauriol, \$3,500; A. Savoie, \$4,500; H. H. M. Scratch, \$2,400; J. V. Scrivener, \$3,000; J. O. Seguin, \$2,500; F. L. J. Seldon, \$4,300; A. R. Sellery, \$4,200; E. McL. Shortt, \$2,400; A. M. Shoults, \$3,000; W. C. Shuker, \$3,000; H. W. Shultz, \$2,500; H. V. Sidney, \$3,400; G. R. Sinclair, \$2,400; L. J. Skaiie, \$4,000; W. R. Skey, \$2,400; H. L. Slater, \$5,000; E. W. Smart, \$5,500; A. T. Smith, \$4,500; H. G. Smith, \$3,600; J. A. Smith, \$3,400; E. J. H. Spence, \$3,000; W. Spence, \$3,600; A. E. Sprange, \$3,000; I. M. Spry, \$3,000; R. L. Stanfield,

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\$2,400; H. H. Stein, \$3,500; C. C. Sullivan, \$3,500; F. J. Sutton, \$3,000; W. E. Sutton, \$3,500; Hon. J. G. Taggart, \$10,000; H. A. Tanton, \$3,000; A. B. Taylor, \$3,600; E. B. Taylor, \$3,500; K. W. Taylor, \$6,300; J. A. Thompson, \$2,400; G. W. Toole, \$2,400; E. Turcotte, \$5,000; R. A. Turgeon, \$3,600; H. E. Tylor, \$3,600; J. B. Vaughan, \$3,380; A. W. Verity, \$2,400; F. A. Vezina, \$2,400; R. S. Vickers, \$4,800; N. E. Wainwright, \$6,000; F. E. Walker, \$5,000; H. E. Walker, \$6,000; G. C. Ward, \$3,000; S. H. Ward, \$4,000; W. J. Weiler, \$3,000; D. C. Wells, \$4,000; W. A. Wells, \$3,000; A. L. Williams, \$2,520; G. T. Williams, \$5,000; H. B. Williams, \$4,000; J. L. Williamson, \$2,400; A. C. Wilson, \$2,400; G. Wilson, \$6,000; W. M. Wilson, \$4,800; G. G. A. Young, \$6,000; J. E. Young, \$3,000.

Travelling expenses and living allowances in excess of \$300 were paid as follows: H. Barton, \$540.84; A. Bradshaw, \$808.62; J. C. Bordeleau, \$307.20; G. E. Britnell, \$492.47; R. M. Brown, \$538.32; H. Brown, \$516.76; E. G. Burton, \$1,115.16; W. S. Campbell, \$379.96; E. W. Carpenter, \$327.00; E. C. Carr, \$762.33; Mme. Therese Casgrain, \$818.79; E. J. Chambers, \$579.04; R. F. Chisholm, \$1,181.75; H. R. Cohen, \$713.37; L. Daoust, \$765.07; J. G. Davidson, \$387.30; C. R. DeMara, \$1,049.95; D. Dewar, \$522.84; D. C. Dick, \$1,821.77; H. J. Dingle, \$696.53; W. R. Dowrey, \$364.04; R. A. Eamer, \$633.71; J. E. Ferguson, \$523.42; H. H. Foreman, \$671.76; J. D. C. Forsyth, \$1,676.97; G. M. Gilchrist, \$332.93; S. Grandmaison, \$418.51; W. M. Grant, \$1,141.39; E. T. Griffith, \$315.16; F. S. Grisdale, \$880; B. K. Gunn, \$633.71; W. H. Harrison, \$851.42; D. S. Hart, \$356.15; K. W. Harvey, \$1,090.85; A. O. Heather, \$304.20; L. S. Hewes, \$307.73; H. J. Hobbins, \$1,517.91; E. A. Horton, \$1,198.91; J. D. Hyndman, \$311.53; G. E. Johnston, \$756.59; I. K. Johnston, \$356.30; G. W. Jones, \$1,598.66; E. J. Jordon, \$1,017.12; E. W. J. Keenleyside, \$1,324.96; H. R. Kemp, \$364.59; J. A. Klein, \$887.83; C. S. Leckie, \$319.55; W. T. W. Lennox, \$313.52; H. H. Levy, \$948.47; H. S. Leybourne, \$674.22; O. Lobley, \$462.78; M. W. McCutcheon, \$659.07; J. M. MacDonald, \$1,338.68; J. J. McHale, \$491.51; J. F. McKinnon, \$432.52; J. A. McLaren, \$390.40; A. N. McLean, \$1,653.50; H. L. McNally, \$452.80; W. H. McPhillips, \$544.40; A. R. Mackie, \$350.62; L. Marcoux, \$342.10; W. M. Martin, \$1,239.09; F. D. Mathers, \$1,282.04; F. Millington, \$494.01; C. R. Morphy, \$492.50; C. J. Morrow, \$694.10; J. P. Nadeau, \$666.47; F. G. Neate, \$1,645.70; S. R. Noble, \$1,847.34; C. L. O'Brien, \$323.85; W. Park, \$1,008.90; S. A. Perry, \$342.70; C. Planta, \$1,666.80; J. V. R. Porteous, \$698.46; W. F. Prendergast, \$1,611.93; S. M. Robertson, \$768.11; K. W. Ryan, \$476.20; F. Ryan, \$1,094.84; A. C. Salter, \$308.39; M. Samson, \$2,653.27; B. H. Sanders, \$761.65; H. W. Sangster, \$301.10; E. J. Shoemaker, \$735; H. G. Smith, \$787.97; L. D. Squair, \$576.90; Jas. Stewart, \$759.83; G. M. Stewart, \$502.98; J. McG. Stewart, \$1,676.64; F. J. Sutton, \$659.37; P. G. Turner, \$807.73; J. C. Veness, \$385.06; C. Vining, \$1,204.96; W. P. Walker, \$354.93; R. Weaver, \$705.28; R. B. Whitehead, \$2,411.98; A. S. Whiteley, \$393.93; G. T. Williams, \$363.45; H. H. Woodward, \$419.01; E. R. Wylie, \$544.38.

Payments in excess of \$5,000 were made to the following firms: G. E. Armstrong and Company, \$5,679.10; Bell Telephone Company of Canada Ltd., \$31,508.28; Canadian Decalcomania Company, \$12,506.23; Canadian National Railways, \$13,820.55; Canadian Pacific Railways, \$11,156.09; Department of the Post Office, \$20,429.46; Department of Public Printing and Stationery, \$202,057.26; Might Directories Ltd., \$5,585.43; Ross and Sons Ltd., \$6,325.76.

Audit Note

C. H. McDougal who was employed under certificate of the Civil Service Commission as Tax Auditor, Grade 2, at \$2,400 per annum, was appointed Director, General Groceries Division, at \$3,600 per annum, by Order in Council P.C. 1/10102 of Dec. 26, 1941, effective Dec. 15, 1941. Mr. McDougal received the salaries of both positions, which resulted in an overpayment to March 31, 1942, amounting to \$709.68, of which \$392.71 was recovered.

Allotment: Wartime Prices and Trade Board, Furniture and Equipment	94,408 34
Expenditures	\$ 94,408 34

Comments on Expenditures

In order to secure office accommodation, furniture and equipment in connection with the establishing of the offices of the various Administration and Prices and Supply Representatives of the Wartime Prices and Trade Board with the utmost speed, the Governor in Council

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by P.C. 15/2057 of March 16, 1942, authorized the purchase of furniture and furnishings through other than the regular channel of requisition on the Department of Public Works. Funds for these payments which totalled \$94,408.34 were procured through an allotment from the War Appropriation.

Payments in excess of \$5,000 were made to the following firms: T. Eaton Co. Ltd., \$5,396.13; Grand and Toy, Ltd., \$13,246.18; Mitchell and McGill Ltd., \$5,748.65; Office Specialty Ltd., \$8,063.78.

<i>Allotment: Wartime Prices and Trade Board, Licencing</i>	139,026 54
<i>Expenditures</i>	138,994 60
<i>Lapsed</i>	\$ 31 94

Comments on Expenditures

Section 4 (h) of the Wartime Prices and Trade Board Regulations respecting goods and services in time of war, as approved by P.C. 6834 of August 28, 1941, authorized the Board to require manufacturers, importers, exporters, producers, jobbers, wholesalers, or retailers of, or other dealers in or suppliers of any goods or services to obtain licences from the Board and to issue licences to such persons and to fix the fees payable on account of such licences. Expenditures on account of the licensing division of the Board totalled \$138,994.60 were classified as follows: salaries, \$22,223.72; printing and stationery, \$62,794.75; travelling expenses and living allowances, \$1,391.80; telephones, \$406.78; telegraph, \$322.88; advertising, \$41,064.75; sundries, \$10,789.92.

As of March 31, 1942, there were 27 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: G. R. Cormack, \$3,000; A. W. Cowley, \$3,000; R. K. Kelley, \$2,400; J. A. Kelly, \$2,400; A. F. Little, \$3,000; D. J. Little, \$3,600; W. G. Masson, \$3,600; A. Nicholl, \$3,000; J. Panneton, \$3,600.

Travelling expenses in excess of \$300 were paid as follows: C. Planta, \$581.43.

Payments in excess of \$5,000 were made to the following firms: Addressograph Sales Ltd., \$9,000; Canadian Decalcomania Company, \$12,515.81; Department of Public Printing and Stationery, \$56,706.32.

<i>Allotment: Wartime Prices and Trade Board—Subsidies due to order</i>	
<i>placing a ceiling over all prices</i>	2,042,500 00
<i>Expenditures</i>	2,013,192 47
<i>Lapsed</i>	\$ 29,307 53

Comments on Expenditures

Subsidies, due to the order placing a ceiling over all prices, were paid from the War Appropriation during the year, as follows:

	Authorized Allotment	Expenditures
Dominion Steel and Coal Corporation, Limited	1,810,000 00	1,810,000 00
Canadian Furnace Limited	125,000 00	119,962 06
Steel Company of Canada Limited	107,500 00	83,230 41
	<u>2,042,500 00</u>	<u>2,013,192 47</u>

P.C. 9129 of November 21, 1941, provided for the payment of a subsidy not exceeding \$1,810,000 to meet increased freight charges incurred by the Dominion Steel and Coal Corporation, Limited, in connection with the production of steel during the calendar year 1941. Excess freight charges incurred by the company on this account amounted to \$2,027,302.42, and the full allotment of \$1,810,000 was therefore paid to the company.

The sum of \$125,000 was provided by P.C. 17/10066 of December 24, 1941, for the payment of a subsidy to Canadian Furnace Limited to meet the increased cost of coke used in the

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production of pig iron. Payments were not to exceed the sum of \$50,000 in respect of the coke consumed up to and including December 31, 1941, and to be no more than \$75,000 in respect of the coke consumed from January 1 to March 31, 1942, both inclusive. Payments on this account totalled \$119,962.06.

Payment of freight charges for the transportation of steel billets from the plant of the Dominion Steel and Coal Corporation, Limited, at Sydney, N.S., to the mill of the Steel Company of Canada, Limited, at Montreal, P.Q., was authorized by P.C. 11/10066 of December 24, 1941. This subsidy was made to help offset the increased cost of steel billets to the Steel Company of Canada, Limited, which had previously supplied its Montreal mill from its plant at Hamilton, Ontario. By order of the Steel Controller, the total output of the Hamilton plant had been diverted to other war needs. Payments of freight charges at the rate of \$4.30 per gross ton totalled \$83,230.41.

<i>Allotment: Wartime Prices and Trade Board—Commodity Prices Stabilization Corporation</i>	5,000,000 00
<i>Expenditures</i>	1,228,870 13
<i>Lapsed</i>	<u>\$3,771,129 87</u>

Comments on Expenditures

P.C. 9870 of December 17, 1941, authorized the Minister of Finance to cause the incorporation and organization of the Commodity Prices Stabilization Corporation as a private company under the Companies Act 1934, for the purpose of facilitating under the direction of the Wartime Prices and Trade Board, the control of prices of goods, wares and merchandise in Canada; and to execute an agreement on behalf of His Majesty with the Company in the terms of a draft agreement annexed to the Order in Council.

The agreement, dated January 6, 1942, authorized the company "to perform such duties and to enter into such transactions as the Minister or the Wartime Prices and Trade Board may from time to time delegate to it or authorize or direct it to perform, including, without in any way limiting the foregoing, the purchase or other acquisition, exchange or other disposition of, storage, transportation and processing of goods, wares or merchandise," and in the discharge of such duties and responsibilities as might from time to time be delegated or committed to it under the above provisions, the company was further authorized "to pay such sum or sums by way of subvention, subsidy, bonus or otherwise, to any person, firm or corporation as may be deemed advisable in accordance with principles formulated from time to time by the Wartime Prices and Trade Board and approved by the Minister."

The following were the members of the Board of Directors of the company at March 31, 1942, all of whom were giving their services without additional remuneration: H. B. McKinnon, president, S. R. Noble, vice-president, H. D. Scully, D. Sim, and R. B. Bryce. Mr. Bryce was appointed a director of the company on March 11, 1942, in the place of W. L. Gordon, resigned.

The amounts charged to this allotment consist of the administrative expenditures of the corporation totalling \$48,654.75 plus the subsidies paid out from the inception of the company to March 31, 1942, amounting to \$1,180,215.38, a grand total of \$1,228,870.13. Payments of subsidies were made as follows: on imports, \$64,758.70; on domestic milk, \$923,952.27; and on domestic footwear, \$191,504.41.

In accordance with the provisions of P.C. 9870 of December 17, 1941, the accounts of the company were audited by this office. The period covered by the audit was from the date of incorporation to March 31, 1942, the end of the company's fiscal year.

MISCELLANEOUS CURRENT ACCOUNTS

<i>Allotment: Purchase of Second Victory Loan Bonds for sale to Government officials, etc., in the Northwest Territories and Northern Quebec</i>	10,000 00
<i>Advances</i>	<u>\$ 10,000 00</u>

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In addition to the expenditures charged to the War Appropriation, 1941, an amount of \$10,000 was allotted to provide an accountable advance for the purchase of \$10,000 Second Victory Loan Bonds due March 1, 1954, to be sold to government officials, etc., in the North-west Territories and Northern Quebec. At March 31, 1942, Bonds to that amount were being held and were recorded as assets and classed as Miscellaneous Current Accounts in the Dominion Balance Sheet.

DEPARTMENT OF FISHERIES

SPECIAL WAR RECEIPTS

Canned Lobster Control **\$ 39,087 85**

Certified correct.

D. B. FINN,
Deputy Minister.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments

Under the War Measures Act by Order in Council, P.C. 2517 of April 10, 1941, authority was given for the continuation and development of the scheme for Canned Lobster Control as established in 1940. The outlay under the scheme, paid from funds allotted under the War Appropriation Act, amounted to \$101,700.16 which included \$34,784.24 for the purchase of canned lobster from the canners. These purchases were marketed under the scheme, and the proceeds from sales, amounted to \$39,087.85.

EXPENDITURES

	Allotments	Expenditures	Lapsed
Wartime Fisheries Advisory Board	1,000 00	119 40	880 60
Canned Lobster Control Scheme	105,000 00	101,700 16	3,299 84
Expenses of Committee appointed to supervise the disposal of impounded Japanese fishing boats and equipment in British Columbia..	7,500 00	4,277 45	3,222 55
Total	<u>\$ 113,500 00</u>	<u>\$ 106,097 01</u>	<u>\$ 7,402 99</u>

<i>Allotment: Wartime Fisheries Advisory Committee</i>	1,000 00
<i>Expenditures</i>	119 40
<i>Lapsed</i>	\$ 880 60

Comments on Expenditures

The amount was expended for travelling expenses.

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<i>Allotment: Canned Lobster Control</i>	105,000 00
<i>Expenditures</i>	101,700 16
<i>Lapsed</i>	\$ 3,299 84

Purpose for which Allotment was provided

Under the War Measures Act, the Governor in Council authorized the appointment of a Controller of Canned Lobster who was empowered to purchase and find markets for certain quantities of canned lobster produced in Canada during 1940. As a result of the operation of the scheme, the Controller, together with the private dealers, was able to sell the product of the 1940 season. With the approach of the 1941 season, it was considered advisable to continue to assist the lobster fishermen as the primary producers and the continuity of the industry by buying more than 30,000 cases of canned lobster and canned lobster products, at prices varying from \$15 to \$20 per case of forty-eight pounds, so called, according to the quality of the product and the state of the market at the time, and to sell such canned lobster wherever a market could be found and particularly to continue the development of new markets. The proceeds from sales, \$39,087.75, were credited to Special War Receipts.

Authority was also given to conduct an advertising campaign for canned lobster at a cost not to exceed \$50,000.

Comments on Expenditures

The Deputy Minister of Fisheries, D. B. Finn, controller, without salary; W. S. Lee, assistant controller at \$4,500 per annum received \$3,000 to Nov. 30; sundry salaries and wages, \$6,743.10.

Purchase of canned lobster, \$34,784.24, the details of which follow: Beach Point Packing Co., Beach Point, P.E.I., \$498.51; Russell Clark, Mount Stewart, P.E.I., \$975.55; J. A. Doyle, Lismore, N.S., \$5,695.25; Chas. Graham, Gaspereaux, P.E.I., \$1,276.16; Wendell Graham, Gaspereaux, P.E.I., \$2,053.63; Grindstone Fishermen Association Ltd., Grindstone, M.I., Que., \$1,999.58; House Harbour Fishermen Federation, House Harbour, M.I., Que., \$1,969.79; Myrick McIntosh, Ltd., Tignish, P.E.I., \$1,985; Hon. J. P. McIntyre, Charlottetown, P.E.I., \$1,946; North Rustico Fishermen's Union, North Rustico, P.E.I., \$1,749.59; O'Leary & Lee Ltd., Halifax, N.S., \$2,400; Southern Packing Co., Georgetown, P.E.I., \$1,958.77; St. Peters Packing Co., St. Peters Harbour, P.E.I., \$2,332.41; Tignish Fisheries, Ltd., Tignish, P.E.I., \$1,998.96; United Maritime Fishermen, Halifax, N.S., \$5,950; less \$4.96 refunded by Chiasson Office, Cooperative, Chiasson, N.B., on 1940-41 operations.

Travelling expenses over \$300 were: W. S. Lee, \$340.88; E. Hess, \$348.70; sundry travel, \$850.49.

General expenses: Walsh Advertising Co., Ltd., \$50,143.53 (including telephone and clerical services, \$465.61); Cannery Machinery Ltd., \$975; Maritime Paper Products Ltd., \$956.16; printing and stationery, \$1,127.72; transportation, \$1,526.56; sundry, \$903.78.

Allotment: Expenses of Committee appointed to supervise the disposal of impounded Japanese fishing boats and equipment in British Columbia

<i>Columbia</i>	7,500 00
<i>Expenditures</i>	4,277 45
<i>Lapsed</i>	\$ 3,222 55

Comments on Expenditures

Under authority of Order in Council, P.C. 288 of January 13, 1942, a Committee of three persons was constituted in connection with the disposal of Japanese shipping vessels. The duties of the Committee are outlined in the Order in Council. The members of the Committee act without remuneration but are to receive travelling and living expenses while away from their place of residence on the work of the Committee. Details of expenditure follow: Com. B. L. Johnson, member of committee, travelling and living expenses, \$492.30; A. E. McMaster, executive assistant, at \$400 per month, \$929.03; A. Pilkey, at \$260 per month, \$487.68; J. A. Martin, at \$200 per month, \$438.71; other salaries, \$1,290.62; travelling expenses, \$93.61; office rent, \$350; sundry expenses, \$195.50.

DEPARTMENT OF JUSTICE

	Allotments	Expenditures	Lapsed
Prize Court	25,000 00	5,757 09	19,242 91
Defence of Canada Regulations	49,000 00	34,446 65	14,553 35
War Measures Act	3,630 00	3,471 68	158 32
Arvida Commission of Enquiry	25,000 00	9,336 58	15,663 42
Hong Kong Enquiry	7,175 00	7,137 65	37 35
Total	\$ 109,805 00	\$ 60,149 65	\$ 49,655 35

Allotment: Prize Court	25,000 00
Expenditures	5,757 09
Lapsed	\$ 19,242 91

Comments on Expenditures

Expenditures were divided as follows: claims paid in connection with cargo of Danish ship *Europa*, \$1,752.61; legal services, \$3,532.49; Registrar fees, \$432.60; telegrams, \$39.39.

Legal services include payments to Jos. B. Clearihue, K.C., Victoria, \$850.38; J. C. Fogo, K.C., Halifax, \$1,983.89; A. B. Macdonald, K.C., Vancouver, \$779.22.

Allotment: Defence of Canada Regulations	49,000 00
Expenditures	34,446 65
Lapsed	\$ 14,553 35

Comments on Expenditures

Expenditures include: salaries, \$1,060.59; legal services, \$618; services and travelling expenses of secretary and stenographers, \$11,270.48; travelling allowance to commissioners, \$20,016.37; printing and stationery, \$880.60; sundries, \$600.61.

As of March 31, 1942, there were 2 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date.

Travel allowances were paid to the following Commissioners: J. C. A. Cameron, \$3,886.52; W. M. Dickson, \$1,917.70; Hon. H. A. Fortier, \$247.18; R. Forsyth, \$3,420.46; A. Gagne, K.C., \$3,665.75; Hon. J. D. Hyndman, \$461.64; Hon. C. R. Mitchell, \$90.48; D. O'Connell, \$2,565.84; R. Tashereau, K.C., \$3,243.60; Wm. F. Woodliffe, \$517.20.

Payment of travel and services of secretary and reporters was: Reporters, F. W. S. Galbraith, \$1,285.90; J. S. McArthur, \$3,893.14; J. G. Robertson, \$2,940.46; P. Tashereau, \$1,787.61; various persons, \$1,363.37.

Allotment: War Measures Act—War Staff in Office of the Minister of Justice	3,630 00
Expenditures	3,471 68
Lapsed	\$ 158 32

Comments on Expenditures

As of March 31, 1942, there were 3 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date.

DEPARTMENT OF JUSTICE—*Cont.*

<i>Allotment: Royal Commission to Investigate disturbance at plant of the Aluminum Co. of Canada, Arvida, Quebec</i>		
<i>Expenditures</i>	25,000 00	
	9,336 58	
<i>Lapsed</i>	\$ 15,663 42	

Comments on Expenditures

Expenditures were as follows: Travelling allowances of Commissioners, \$808.20; fees and expenses of counsels, \$4,953.20; secretary's fee, \$495; stenographic services, taking and transcribing evidence, \$2,666.38; printing report, \$110.74; sundries, \$303.06.

Travelling allowances were as follows: Hon. W. L. Bond, \$436.75; Hon. S. Letourneau, \$371.45.

Legal expenses were paid to: Fernande Choquette, K.C., Quebec, \$1,995.53; Joseph Dandurand, Chicoutimi, \$1,100; S. McDougall, K.C., Montreal, \$1,857.67.

<i>Allotment: Royal Commission to enquire into circumstances of Hong Kong Expedition</i>		
<i>Expenditures</i>	7,175 00	
	7,137 65	
<i>Lapsed</i>	\$ 37 35	

Comments on Expenditures

Expenditures for the fiscal year were as follows: Legal expenses, \$3,090.14; stenographic services, \$3,550.15; travelling expenses of witnesses, \$324.15; sundries, \$173.21.

Legal fees and expenses were paid to: R. M. Fowler, Toronto, \$1,529.24; R. L. Kellock, Toronto, \$1,560.90. Stenographic services were performed by Sydney W. Brown, Toronto.

Further expenditures were paid in 1942-43.

DEPARTMENT OF LABOUR

SPECIAL WAR RECEIPTS

<i>Industrial Training for war work: New Brunswick, \$83.35; Ontario, \$647.05; Manitoba, \$19.80</i>		
	\$	750 20

Certified correct.

BRYCE M. STEWART,
Deputy Minister of Labour.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

EXPENDITURES

	<u>Allotments</u>	<u>Expenditures</u>	<u>Lapsed</u>
National Labour Supply Council	14,745 00	11,179 94	3,565 06
Interdepartmental Committee on Labour Coordination	12,425 00	10,134 31	2,290 69
Wartime Bureau of Technical Personnel	41,000 00	40,837 51	162 49
Cost of Living Commission for District 18, United Mine Workers of America	1,718 00	1,717 89	11
Wartime Wages Policy and Civil Employment Re-instatement Regulations	13,500 00	12,366 24	1,133 76

DEPARTMENT OF LABOUR—*Con.*

	Allotments	Expenditures	Lapsed
Labour Supply Investigation Project	8,100 00	8,095 14	4 86
National War Labour Board	111,895 00	90,754 26	21,140 74
Advertising the intent and purpose of the Government's Wages Stabilization Policy	32,000 00	31,413 45	586 55
Program of Training in Personnel Management	1,000 00		
Assistance to necessitous dependents of persons detained under Defence of Canada Regulations, 1941-42 commitments	62,410 00	58,686 95	3,723 05
To provide for 1940-41 Accounts—			
Assistance to necessitous dependents of persons detained under Defence of Canada Regulations	11,300 00	10,144 48	1,155 52
Payments to the Provinces re trainees who enlist	38,400 00	25,349 50	13,050 50
Payments to Provinces re training individuals for skilled or semi-skilled occupations connected with war work	180,000 00	139,340 81	40,659 19
Payments to the Provinces in connection with training individuals for skilled or semi-skilled occupations connected with War Work, 1941-42 Commitments	4,481,885 00	4,429,998 28	51,886 72
Training ground mechanics for the R.C.A.F. and other artisans for Aircraft manufacturing..	1,675,000 00	1,488,791 61	186,208 39
Purchase of machine tools and other forms of equipment for certain Technical Schools in connection with classes for tool-makers	52,437 21	52,316 69	120 52
Specialized Training for Aircraft manufacturers' employees	50,000 00	14,108 55	35,891 45
Occupational History of Canada's Armed Forces	11,935 17	10,122 85	1,812 32
Vocational Training for Members discharged from Canada's Armed Forces	4,000 00	2,547 12	1,452 88
Man Power Inventory Branch	47,225 00	37,482 87	9,742 13
Assistance to the Province of Ontario in recruiting, transporting and placing labourers upon farms in the Province	60,000 00	53,544 48	6,455 52
Expenses in connection with General Labour Transference in War Industries and Agriculture	20,000 00		20,000 00
To cover expenditures incurred and to be incurred to the end of the fiscal year 1941-42 for transportation, administration expenses, dependents' allowances and other expenditures in carrying out the provisions of Orders in Council P.C. 1271 of February 17, 1942 and P.C. 1348 of February 19, 1942, and to include expenditures incurred under the terms of P.C. 1665 and P.C. 1666, both dated March 4, 1942	50,000 00	25,398 96	24,601 04
Total	\$6,980,975 38	\$6,554,331 89	\$ 426,643 49

DEPARTMENT OF LABOUR—*Con.*

<i>Allotment: National Labour Supply Council</i>	14,745 00
<i>Expenditures</i>	11,179 94
<i>Lapsed</i>	\$ 3,565 06

Comments on Expenditures

The formation of this Council was authorized by P.C. 2686 of June 29, 1940. Payments were for temporary assistance, \$3,370.01; travelling expenses, \$3,316.79; living allowance of chairman, \$3,300; printing and stationery, \$528.97; telephones, \$646.25; and sundries, \$17.92.

<i>Allotment: Interdepartmental Committee on Labour Co-ordination—</i>	
<i>Administration</i>	12,425 00
<i>Expenditures</i>	10,134 31
<i>Lapsed</i>	\$ 2,290 69

Comments on Expenditures

Payments were for the Administration costs of a committee of six, appointed by P.C. 5922 of October 25, 1940.

As of March 31, 1942, there were 3 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. C. Cameron, \$5,500 (Apr. 2); B. D. Nimmo, \$5,000; F. D. Tufford, \$5,700. Travelling expense payments of \$300 or over were: W. J. Couper, \$326.66; A. W. Crawford, \$749.81.

<i>Allotment: Wartime Bureau Technical Personnel</i>	41,000 00
<i>Expenditures</i>	40,837 51
<i>Lapsed</i>	\$ 162 49

Comments on Expenditures

The following payments were for the expenses in connection with the establishment of the Wartime Bureau of Technical Personnel authorized by P.C. 780 of February 12, 1941: salaries, \$23,890.61; travelling expenses, \$12,466.58; printing and stationery, \$2,864.96; telephones and telegrams, \$1,321.69; sundries, \$293.67.

Travelling expenses over \$300 were: G. E. Cole, \$330.63; J. M. Dymond, \$392.80; H. J. Hamilton, \$441.14; D. A. Keyes, \$645.39; H. W. Lea, \$1,521.05; E. M. Little, \$2,478.51 (\$2,410.53 paid to Anglo Canadian Pulp & Paper Mills); H. N. Macpherson, \$443.80; L. A. Wright, \$2,233.71; L. E. Westman, \$2,533.16.

<i>Allotment: Cost of Living Commission for District 18, United Mine Workers of America</i>	1,718 00
<i>Expenditures</i>	1,717 89
<i>Lapsed</i>	\$ 11

Comments on Expenditures

P.C. 6839 of August 29, 1941, authorized the appointment of a Commission for the purpose of determining the amount to be paid by way of a cost of living bonus to the coal mine operators of District 18. Payments were: G. E. Britnell, chairman, \$1,147.58; G. Graham, \$452.70; sundry, \$117.61.

DEPARTMENT OF LABOUR—*Con.*

<i>Allotment: Wartime Wages Policy and Civil Employment Reinstatement</i>	
<i>Regulations</i>	13,500 00
<i>Expenditures</i>	12,366 24
<i>Lapsed</i>	\$ 1,133 76

Comments on Expenditures

Payments were: Walsh Advertising Co., Ltd., Windsor, \$11,364.46; printing and stationery, \$829.47; sundries, \$172.31.

<i>Allotment: National Labour Supply Investigation Project</i>	8,100 00
<i>Expenditures</i>	8,095 14
<i>Lapsed</i>	\$ 4 86

Comments on Expenditures

This project was authorized by P.C. 14/5484 of July 23, 1941, to study the potential supply *re* the demand for labour. Administration expenses were as follows: salaries, \$4,124.93; travelling expenses, \$3,970.21.

Travelling expenses of over \$300 were: A. S. Duncan, \$463.80; H. C. McFadden, \$483.73; T. H. Robinson, \$685.70; B. Touzel, \$388.80; J. A. Walker, \$1,590.69.

<i>Allotment: National War Labour Board</i>	111,895 00
<i>Expenditures</i>	90,754 26
<i>Lapsed</i>	\$ 21,140 74

Comments on Expenditures

Under authority of P.C. 8253, of October 24, 1941, a National War Labour Board, consisting of a chairman and four or more members representing employers and four or more members representing employees was established. The administrative expenses were as follows: salaries, \$43,567.06; advertising, \$13,254.72; travelling expenses, \$17,603.65; printing and stationery, \$12,883.98; postage, telephones and telegrams, \$2,948.68; sundries, \$496.17.

As of March 31, 1942, there were 71 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: C. Adams, \$2,400; J. C. Adams, \$2,500; J. P. Bell, \$4,000; A. B. Brodie, \$3,000; W. C. Cain, \$3,000; J. F. Compton, \$3,300; A. W. Crawford, \$6,000; J. B. Germain, \$6,000; E. C. Gibb, \$2,400; R. H. Hague, \$3,000; G. A. Hallinsworth, \$2,400; C. J. A. Hughes, \$3,500; H. C. Lebrun, \$3,500; W. H. Ley, \$3,960; J. A. McKinnon, \$2,500; J. A. McLelland, \$8,000; R. Morrison, \$4,000; R. H. Neilson, \$4,000; E. H. Reid, \$4,200; W. E. Wilson, \$3,600.

Travelling expenses over \$300 were: E. R. Complin, \$1,115.42; A. W. Crawford, \$323.52; S. E. Dinsmore, \$406.45; G. Hodge, \$1,458.79; Wm. Innes, \$383.72; P. Lessard, \$621.60; H. G. Macdonald, \$328.60; J. A. McClelland, \$402.75; R. Morrison, \$1,092.81; S. C. Miffen, \$499.98; G. Picard, \$392.65; Ontario Conciliation Officers, Fine, Hutcheon and Jennette, \$1,204.30; J. H. Stovel, \$421.40; H. Taylor, \$332.80.

Russell T. Kelley Ltd., Hamilton, was paid \$13,254.72 for advertising.

Audit Note

34 employees, including 4 at salaries of \$4,000 or over, were paid from various dates in Dec., Jan. and Feb. until March 31, although no authority for the employment of any of these persons was issued by the Governor in Council before June 1, 1942, after the Department had been requested to inform this Office of the authority under which salary payments had been made. On July 20, 1942, authority had not been received to cover the employment of one Chief Executive Officer at \$3,500, from Dec. 17, 1941, and one Assistant Secretary at \$3,300, from Feb. 1, 1942.

DEPARTMENT OF LABOUR—*Con.*

<i>Allotment: Government's Wages Stabilization Policy</i>	32,000 00
<i>Expenditures</i>	31,413 45
<i>Lapsed</i>	\$ 586 55

Comments on Expenditures

P.C. 8326 of November 1, 1941, authorized the advertising of information as to the intent and purpose of the Government's Wages Stabilization Policy. Payment was made to the Walsh Advertising Co., Ltd., Windsor, for the full amount.

<i>Allotment: Program of Training in Personnel Management</i>	1,000 00
<i>Expenditures</i>	Nil
<i>Lapsed</i>	\$ 1,000 00

<i>Allotment: Assistance to necessitous dependents of persons detained under Defence of Canada Regulations</i>	73,710 00
<i>Expenditures</i>	68,831 43
<i>Lapsed</i>	\$ 4,878 57

Comments on Expenditures

The Federal Government reimbursed the Provinces 100 per cent for expenditures incurred for assistance given dependents of persons interned or detained in Canada under Defence of Canada Regulations who, after investigation, were found to be in necessitous circumstances.

The following amounts were paid for previous years' commitments: Nova Scotia, \$361.75; Québec, \$5,294.17; Ontario, \$1,070.12; Manitoba, \$999.84; Saskatchewan, \$929.45; Alberta, \$387.05; British Columbia, \$1,102.10.

The following amounts were paid for 1941-42 commitments: Prince Edward Island, \$200; Nova Scotia, \$4,993.33; Québec, \$8,097.80; Ontario, \$19,932.33; Manitoba, \$7,811.80; Saskatchewan, \$5,854.07; Alberta, \$5,135.70; British Columbia, \$6,661.92.

The allotment of \$73,710 was subdivided as follows: commitments of previous years, \$11,300; 1941-42 commitments, \$62,410.

<i>Allotment: Payments to the Provinces on account of Trainees who enlist in His Majesty's Forces</i>	33,400 00
<i>Expenditures</i>	25,349 50
<i>Lapsed</i>	\$ 13,050 50

Comments on Expenditures

The Dominion Government agreed to pay to the Provinces an amount not in excess of \$100 for each trainee who completed a course in aircraft mechanics or wireless operations under the Youth Training Act and enlisted in any of His Majesty's Forces.

The following amounts were paid for previous years' commitments: Ontario, \$800; Manitoba, \$11,549.50; British Columbia, \$13,000.

<i>Allotment: Payments to the Provinces in connection with Training Individuals for Skilled or Semi-skilled Occupations con- nected with War Work</i>	4,661,885 00
<i>Expenditures</i>	4,569,339 09
<i>Lapsed</i>	\$ 92,545 91

DEPARTMENT OF LABOUR—*Con.*

Comments on Expenditures

A War Emergency Training Program was established by the Dominion Government for the purpose of training the youth in skilled or semi-skilled occupations in connection with the war industry. The Provincial authorities directed this training and were reimbursed for expenditures incurred.

The following amounts were paid for previous years' commitments: Nova Scotia, \$14,632.82; New Brunswick, \$2,908.88; Quebec, \$53,296.53; Ontario, \$17,841.58; Manitoba, \$9,475.29; Saskatchewan, \$8,824.14; Alberta, \$18,782.68; British Columbia, \$13,578.89.

The following amounts were paid for 1941-42 commitments: Nova Scotia, \$219,624.84; New Brunswick, \$164,330.80; Quebec, \$670,145.08; Ontario, \$2,016,997.53; Manitoba, \$165,053.70; Saskatchewan, \$216,590.08; Alberta, \$676,176.08; British Columbia, \$267,277.01; administration costs, \$33,803.16.

The following officials received \$2,400 or over as of March 31, 1942: H. C. Bingham, \$2,400; F. M. Hereford, \$2,600; F. H. Horton, \$3,600; H. H. Kerr, \$4,500; J. T. Lamontagne, \$3,600; M. M. MacKinnon, \$2,400. Travelling expense payments of \$300 or over were: J. P. Bell, \$1,224.45; H. C. Bingham, \$952.15; F. H. Horton, \$620.16; H. H. Kerr, \$1,807.07; J. T. Lamontagne, \$990.12; C. S. Landon, \$356.76; M. M. MacKinnon, \$1,488.72; R. F. Thompson, \$753.23.

The allotment of \$4,661,885 was subdivided as follows: commitments of previous years, \$180,000; 1941-42 commitments, \$4,481,885.

<i>Allotment: Training Ground Mechanics for the R.C.A.F. and other Artisans for aircraft manufacturing</i>	<i>1,675,000 00</i>
<i>Expenditures</i>	<i>1,488,791 61</i>
<i>Lapsed</i>	<i>\$ 186,208 39</i>

Comments on Expenditures

Agreements were entered into with several of the provinces in connection with training suitable men as ground mechanics for the R.C.A.F. or as wireless operators, radio mechanics, tradesmen or artificers for other branches of the armed forces or for employment in war industries.

The following payments were made: New Brunswick, \$125,845.13; Quebec, \$313,005.26; Ontario, \$342,856.90; Manitoba, \$165,557.28; Saskatchewan, \$330,890.60; British Columbia, \$210,636.44.

<i>Allotment: Purchase of machine tools and other forms of equipment for certain Technical Schools in connection with classes for tool makers, etc.</i>	<i>52,437 21</i>
<i>Expenditures</i>	<i>52,316 69</i>
<i>Lapsed</i>	<i>\$ 120 52</i>

Comments on Expenditures

The following payments of \$2,000 or over were made: Citadel Merchandising Co., Ltd., Montreal, \$38,198.36; John E. Livingstone Machinery Co., Ltd., Windsor, \$2,650; Williams & Wilson, Ltd., Toronto, \$7,951.21.

<i>Allotment: Specialized Training for Aircraft Manufacturers' Employees..</i>	<i>50,000 00</i>
<i>Expenditures</i>	<i>14,108 55</i>
<i>Lapsed</i>	<i>\$ 35,891 45</i>

DEPARTMENT OF LABOUR—*Con.***Comments on Expenditures**

Arrangements were made by the Dominion with Canadian manufacturers of aircraft and aircraft parts and with such concerns who overhaul and recondition combat and training aeroplanes to reimburse them for part of the expenditure in giving specialized training to certain selected or key employees engaged on government war contracts.

Payments were made as follows: Aircraft Repair Ltd., Edmonton, \$2,397.60; Boeing Aircraft of Canada, Ltd., Vancouver, \$1,473.75; Clark Ruse Aircraft Ltd., Dartmouth, \$1,375.50; Fairchild Aircraft, Ltd., Longueuil, \$1,748.40; MacDonald Bros. Aircraft Ltd., St. James, \$2,102.55; MacDonald Bros. Aircraft Ltd., Winnipeg, \$1,336.20; National Steel Car Corp., Ltd., Malton, \$2,947.50; Prairie Airways, Ltd., Moose Jaw, \$589.50; Geo. W. Reed & Co., Ltd., Montreal, \$137.55.

Allotment: Occupational History of Canada's Armed Forces	11,935 17
Expenditures	10,122 85
Lapsed	\$ 1,812 32

Comments on Expenditures

The expenses of setting up of an occupational history for each member of Canada's armed forces were: express, \$1,127.54; printing and stationery, \$8,606.43; purchase of Hollerith cards, \$388.88.

Allotment: Vocational Training for members discharged from Canada's Armed Forces	4,000 00
Expenditures	2,547 12
Lapsed	\$ 1,452 88

Comments on Expenditures

Provision was made in co-operation with the provinces to give vocational re-establishment training for individuals honourably discharged from Canada's armed forces subsequent to July 1, 1941.

The Province of Manitoba received \$2,547.12.

Allotment: Man Power Inventory Branch	47,225 00
Expenditures	37,482 37
Lapsed	\$ 9,742 13

Comments on Expenditures

Included in the expenses are: salaries, \$20,475.58 (see Vote 112, National Registration); purchase of Hollerith cards, \$4,455, and rental of machines, \$11,010.50.

The following employees were receiving annual salaries of \$1,800 or over at date of separation (shown in brackets): E. C. Roquet, \$1,800 (Oct. 1); P. Stuchen, \$1,800 (Mar. 2); J. M. Wyatt, \$2,400 (Oct. 1).

Allotment: Payments to the Province of Ontario for recruiting, transporting and placing Farm Labour	60,000 00
Expenditures	53,544 48
Lapsed	\$ 6,455 52

Comments

Under the terms of Order in Council P.C. 27/3191 of May 6, 1941, the Dominion agreed to pay 50 per cent of the costs, up to a maximum contribution of \$60,000, incurred by the Province of Ontario in recruiting farm labour from urban centres and transporting and placing it in those sections of Ontario where a shortage of farm labour existed.

DEPARTMENT OF LABOUR—*Conc.*

Dominion contributions were administered by the Unemployment Insurance Commission and the principal items of gross expenditure shared were: Cost of camp operations, \$42,731.93; salaries and travelling expenses of field staff, \$35,767.58; advertising, \$15,629.45; office salaries, \$5,424.66; transportation of workers, \$3,919.80; medical expenses re accidents, \$1,607.10.

<i>Allotment: British Columbia Security Commission for Evacuation of Japanese from Defence Areas</i>	50,000 00
<i>Expenditures</i>	25,398 96
<i>Lapsed</i>	<u>\$ 24,601 04</u>

Comments

Order in Council, P.C. 1665, dated March 4, 1942, authorized the creation of the British Columbia Security Commission and vested therein authority for making limited expenditures.

A summary of expenditures by projects is as follows: Head Office, \$13,548.52; Hastings Park Clearing Station, \$13,027.74; Transportation inward, \$7,934.74.

The net figure above is obtained by deducting a credit of \$9,108.04 received as assigned pay from Japanese workers as a contribution towards the support of their dependents, and a miscellaneous credit of \$4.00.

<i>Allotment: General labour transference in War Industries and Agriculture</i>	20,000 00
<i>Expenditures</i>	Nil
<i>Lapsed</i>	<u>\$ 20,000 00</u>

DEPARTMENT OF MINES AND RESOURCES

	<u>Allotments</u>	<u>Expenditures</u>	<u>Lapsed</u>
Mines and Geology Branch—			
Supply of strategic minerals	50,000 00	46 15	49,953 85
Administration of Regulations regarding explosives	13,655 00	11,746 01	1,908 99
Assistance to Province of British Columbia road construction	666 67	666 67	
Services to War Departments	75,000 00	57,561 32	17,438 68
Grant to Province of Ontario for construction of road from Ramsay to the property of Jerome Gold Mines Ltd.	13,000 00		13,000 00
Grant to Province of Ontario for construction of road from Missanabie to Renabie Mines Ltd.	11,000 00		11,000 00
Grant to Province of Ontario for construction of Road from Savant Lake Station to St. Anthony Gold Mines Ltd.	9,000 00		
Lands, Parks and Forests Branch—			
National Parks Bureau—Alternative Service Work Camps	249,650 00	235,463 68	14,186 32
Dominion Forest Service—Alternative Service Work Camps	12,848 00	10,858 38	1,989 62
Internment Operations	25,692 00	23,646 42	2,045 58
Forest Products Laboratories	18,603 00	15,959 68	2,643 32
Grant to Yukon Council for construction of road in Mayo District	20,000 00	20,000 00	

DEPARTMENT OF MINES AND RESOURCES—*Con.*

	<u>Allotments</u>	<u>Expenditures</u>	<u>Lapsed</u>
Surveys and Engineering Branch—			
Alternative Service Work Camps	118,000 00	96,194 97	21,805 03
Prince Rupert—Terrace—Cedarvale Highway	20,000 00	10,469 86	9,530 14
Employment of Japanese Nationals	100,000 00	71,201 72	28,798 28
Immigration Branch—			
General expenditures in the British Isles and in Canada arising from the War	23,825 00	16,931 11	6,893 89
Detention of alien seamen who refuse to perform their regular duties	47,225 00	16,819 89	30,405 11
Grant to National Advisory Committee for Children from Overseas	78,800 00	78,800 00	
Expenses in connection with British Evacuee Children	17,100 00	721 03	16,378 97
Return to France of French Fishermen, <i>S.S. Angelus</i>	7,500 00	5,564 57	1,935 43
Expenditures in connection with looking after Canadian interests in Germany and German-controlled territories	150,000 00	81,269 79	68,730 21
Expenditures in connection with looking after Canadian interests abroad, apart from Germany and German-controlled territories	22,500 00	5,144 27	17,355 73
Total	<u>\$1,084,064 67</u>	<u>\$ 759,065 52</u>	<u>\$ 324,999 15</u>

Allotment: Mines and Geology Branch—For such special exploration and development work, in connection with the supply of strategic minerals as may be approved by the Minister of Mines and Resources on the recommendation of the Metal Controller and the Director of the Mines and Geology Branch: Provided that if such work is to be undertaken by other than the Department of Mines and Resources, it shall be under contract or agreement specifically approved by the Governor in Council			50,000 00
Expenditures			46 15
Lapsed			\$ 49,953 85

Comments on Expenditures

As of March 31, 1942, there was 1 employee paid from this vote. G. Miller was paid at an annual salary of \$3,600. Expenditures were classified as follows: Salaries, \$19.35; travelling expenses, \$26.80.

Allotment: Mines and Geology Branch, Explosives Division—Administration of Regulations governing the possession, use and sale of explosives, established under the War Measures Act			13,655 00
Expenditures			11,746 01
Lapsed			\$ 1,908 99

Comments on Expenditures

As of March 31, 1942, there were 7 employees paid from this vote. The following were receiving annual salaries of \$2,400 or over on that date: R. P. Quinn, \$2,700; N. Randall, \$2,700. Expenses included: travel of R. P. Quinn, \$335.37; printing and stationery, \$770.72; materials and supplies, \$336.81; equipment and parts, \$546.50.

DEPARTMENT OF MINES AND RESOURCES—*Con.*

<i>Allotment: Mines and Geology Branch: Grant in aid of Province of British Columbia in construction of a road to the Mercury Mine of the Consolidated Smelting and Refining Company at Pinchi Lake, B.C.</i>	
	667 67
<i>Expenditures</i>	667 67

Comments on Expenditures

Order in Council 22/2229 of March 31, 1941, authorized grants of \$7,133.17 to be paid in 1940-41 and \$666.67 to be paid in 1941-42 in connection with the completion of the road. These amounts were paid to the Province of British Columbia as the Dominion's share of one-third of \$23,399.52. The Consolidated Mining and Smelting Co., and the province shared the remaining two-thirds.

<i>Allotment: Mines and Geology Branch, Bureau of Mines—Metallic Minerals Division</i>	
	75,000 00
<i>Expenditures</i>	57,561 32
<i>Lapsed</i>	\$ 17,438 68

Comments on Expenditures

The purpose of this allotment is to provide technical assistance to War Departments.

As of March 31, 1942, there were 19 employees, of which 2 were prevailing rates, paid from this vote. The following were receiving annual salaries of \$2,400 or over: H. H. Fairfield, \$3,300; J. W. Meier, \$2,700; N. C. MacPhee, \$3,720; S. Gertsman, \$2,700; K. N. Stewart, \$2,820; H. V. Kinsey, \$2,820.

Under authority of Order in Council 2/1560 of March 4, 1941, amended by Order in Council 45/7841 of October 9, 1941, an amount of \$1,082.67 was paid for overtime to prevailing rate employees for work in connection with war services.

This allotment also includes: printing and stationery, \$231.45; materials and supplies, \$3,981.08; travelling expenses, \$666.30; equipment and parts, \$21,418.60, of which \$6,365.85 was paid to Baldwin Southwork Division, The Baldwin Locomotive Works, Philadelphia, U.S.A.; sundries, \$73.12.

<i>Allotment: Mines and Geology Branch—Grant in aid of the Province of Ontario in the construction of an all-weather road from Ramsay on the Canadian Pacific Railway to the property of the Gerome Gold Mines, Limited</i>	
	13,000 00
<i>Expenditures</i>	Nil
<i>Lapsed</i>	\$ 13,000 00

<i>Allotment: Mines and Geology Branch—Grant in aid of the Province of Ontario in the construction of an all-weather road from Missanabie to the property of the Renabie Mines, Limited</i>	
	11,000 00
<i>Expenditures</i>	Nil
<i>Lapsed</i>	\$ 11,000 00

<i>Allotment: Mines and Geology Branch—Grant in aid of the Province of Ontario in the construction of an all-weather road from Savant Lake Station to the property of the St. Anthony Gold Mines, Limited</i>	
	9,000 00
<i>Expenditures</i>	Nil
<i>Lapsed</i>	\$ 9,000 00

DEPARTMENT OF MINES AND RESOURCES—*Con.*

<i>Allotment: Land, Parks and Forests Branch, National Parks Bureau—</i>	
<i>Alternative Service Work Camps</i>	249,650 00
<i>Expenditures</i>	235,463 68
<i>Lapsed</i>	\$ 14,186 32

Comments on Expenditures

This allotment, under authority of Order in Council, P.C. 4019 of June 6, 1941, provides for expenses at National Parks in connection with the detention of groups eligible for military service and known as Conscientious Objectors. Expenditures are charged as follows: Head Office, \$6,206.64; Banff Park, \$51,820.57; Cape Breton Highlands Park, \$28.85; Jasper Park, \$46.193; Kootenay, \$16,939.21; Prince Albert Park, \$50,711.05; Riding Mountain Park, \$63,564.36.

The expenditures are classified as follows: salaries and wages, \$131,233.71, of which \$60,790.28 was paid to the detained men; printing and stationery, \$1,344.13; travelling expenses, \$2,369.92; supplies and materials, \$91,607.09; sundries, \$8,908.83.

As of March 31, 1942, the following employees were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): J. R. Rattray, \$3,600; S. M. Luginsky, \$2,400 (Oct. 31). Of the travelling expenses the following received \$300 or over: J. R. Rattray, \$855.11; G. Tunstell, \$1,214.79.

<i>Allotment: Lands, Parks and Forests Branch, Dominion Forest Service—</i>	
<i>Alternative Service Work Camps</i>	12,848 00
<i>Expenditures</i>	10,858 38
<i>Lapsed</i>	\$ 1,989 62

Comments on Expenditures

This allotment, under authority of Order in Council P.C. 4019 of June 6, 1941, provides for expenditures at Kananaskis Forest Experiment Station in connection with the detention of a group eligible for military service and known as Conscientious Objectors.

Expenditures are classified as follows: wages, \$5,637.79, of which \$3,145.25 represent an allowance at the rate of 50 cents per day paid to the detained men; supplies and materials, \$5,607.61; sundries, \$189.73, less credited to provisions, \$576.75.

<i>Allotment: Lands, Parks and Forest Branch, Dominion Forest Service—</i>	
<i>Internment Operations</i>	25,692 00
<i>Expenditures</i>	23,646 42
<i>Lapsed</i>	\$ 2,045 58

Comments on Expenditures

The expenditure by Forest Experiment Stations is as follows: Acadia, N.S., \$8,726.58; Kananaskis, Alta., \$8,598.12; Petawawa, \$6,321.72, and consisted of: salaries and wages, \$16,514.50; gasoline and oil, \$2,282.36; equipment and supplies, \$2,928.51; sundries, \$1,921.05.

<i>Allotment: Lands, Parks and Forests Branch, Dominion Forest Service—</i>	
<i>Forest Products Laboratories</i>	18,603 00
<i>Expenditures</i>	15,959 68
<i>Lapsed</i>	\$ 2,643 32

Comments on Expenditures

This expenditure is classified as follows: at Ottawa, salaries and wages, \$9,447.16; travelling expenses, \$415.77; laboratories supplies, \$1,100.10; at Vancouver, salaries and wages, \$4,419.63; travelling expenses, \$221.05; laboratories supplies, etc., \$355.97.

DEPARTMENT OF MINES AND RESOURCES—*Con.*

<i>Allotment: Lands, Park and Forests Branch—Bureau of Northwest and Yukon Affairs—Grant to Yukon Council for construction of a road and bridge in the Haggart Creek-Dublin Gulch area of Mayo District, Yukon Territory</i>	
	\$ 20,000 00
<i>Expenditures</i>	\$ 20,000 00

<i>Allotment: Surveys and Engineering Branch—Alternative Service Work</i>	
<i>Camps</i>	118,000 00
<i>Expenditures</i>	96,194 97
<i>Lapsed</i>	\$ 21,805 03

Comments on Expenditures

This allotment, under authority of Order in Council P.C. 4019 of June 6, 1941, provides for expenditures in connection with the detention of a group eligible for military service and known as Conscientious Objectors. The expenditures were charged as follows: (1) Ontario, \$55,674.59 (2) Saskatchewan, \$40,520.38.

(1) The expenditure is divided as follows: Salaries and wages, \$30,780.80 of which \$15,385.00 was paid to the detained men; provisions, \$14,945.21 including payment to Swift Canadian Co., \$5,419.35; gasoline and oil, \$1,762.56; rent of equipment, \$1,097.60; sundries, \$7,088.42.

(2) The expenditure is divided as follows: Salaries and wages, \$15,633.64 of which \$4,234.99 was paid to the detained men; provisions, \$3,224; rent of equipment, \$15,975.09; travelling expenses, \$1,335.28; sundries, \$4,352.37. Of the above expenditures Brooks Construction Ltd. received \$13,408.38.

<i>Allotment: Surveys and Engineering Branch—Prince Rupert-Terrace-Cedarvale Highway</i>	
	20,000 00
<i>Expenditures</i>	10,469 86
<i>Lapsed</i>	\$ 9,530 14

Comments on Expenditures

This allotment includes, wages, \$3,557.09; travelling expenses, \$2,203.93; supplies and materials, \$3,433.36; sundries, \$1,275.48.

<i>Allotment: Employment of Japanese Nationals</i>	
	100,000 00
<i>Expenditures</i>	71,201 72
<i>Lapsed</i>	\$ 28,798 28

Comments on Expenditures

Under authority of the War Measures Act, Order in Council 1348 of February 19, 1942, authorizes the establishment of work camps for male enemy aliens including Japanese Nationals, outside of protected areas. The Order in Council likewise provides for allowances to men in the camps, to dependents, etc.

The expenditures are classified as follows: salaries and wages, \$67,757.17 of which \$44,175.18 represent allowances to detained men; travelling expenses, \$1,502.40; rent of equipment, \$2,542.20; supplies and materials, \$9,764.63; sundries, \$5,482.73. Credits to this allotment represented board, \$13,762.16; medical fees, \$1,200; supplies and materials, \$885.25.

DEPARTMENT OF MINES AND RESOURCES—*Con.*

<i>Allotment: Immigration Branch—General Expenditures in the British Isles and Canada arising from the War</i>	
<i>Expenditures</i>	23,825 00
<i>Lapsed</i>	16,931 11
	<u>\$ 6,893 89</u>

Comments on Expenditures

The purpose of this allotment is to provide for special supervision of certain canals in Canada, air-raid shelter expenses, etc., in Emigration Offices in London, England, and removal expenses of employees resident overseas.

The cost of extra supervision at Lachine, Cardinal and Welland Canals in Canada was \$15,016.16 classified as follows: salaries, \$11,816.33; overtime, \$1,979.20; travel, \$855.87; uniforms, \$364.76. Expenditure in England was as follows: salaries and subsistence allowance for fire watchers, \$703.65; rent of air raid shelters, \$425.95; sundries, \$112.30. Expenses to Canada from Lisbon, O. Cormier, \$673.05.

<i>Allotment: Immigration Branch—Detention of Alien seamen who refuse to perform their regular duties</i>	
<i>Expenditures</i>	47,225 00
<i>Lapsed</i>	16,819 89
	<u>\$ 30,405 11</u>

Comments on Expenditures

Detention expenses at the following gaols totalled \$16,486.73: Halifax, \$11,146.69; Montreal, \$433.84; Oakalla, \$4,579; Quebec, \$68; St. John, \$259.20. The remaining expenditure consisted of travel of Immigration Officers, \$139.12; sundries, \$194.04.

<i>Allotment: Grant to National Advisory Committee for Children from Overseas</i>	
	\$ 78,800 00

Comments on Expenditures

This grant was made to the National Advisory Committee for Children from Overseas established by Order in Council P.C. 3869 of August 13, 1940, in order to assist the Committee in meeting the supervisory expenses, etc., of children placed in Canadian homes. The grant was authorized by Order in Council.

<i>Allotment: Immigration Branch—For expenses in connection with British Evacuee Children</i>	
<i>Expenditures</i>	17,100 00
<i>Lapsed</i>	721 03
	<u>\$ 16,378 97</u>

Comments on Expenditures

The purpose of this allotment is to provide for the carrying out of the provisions of Order in Council P.C. 3869 of August 13, 1940, which provides that the Immigration Branch of the Department of Mines and Resources shall have general administration in Canada of the distribution, care and welfare of children evacuated from the United Kingdom. The Order in Council also authorizes the establishment of a National Advisory Council for Children from Overseas.

DEPARTMENT OF MINES AND RESOURCES—*Conc.*

Travel of Immigration Officers amounted to \$527.52, of which amount M. J. Scobie received \$452.62; sundries, \$193.51. A grant of \$78,800 was also made to the National Advisory Council from an Immigration War Allotment detailed under a separate heading.

<i>Allotment: Return to France of French Fishermen on the S.S. "Angelus"</i>	7,500 00
<i>Expenditures</i>	5,564 57
<i>Lapsed</i>	\$ 1,935 43

Comments on Expenditures

Of this amount \$5,035.85 was paid to the Canadian National Railways, classified as follows: travel of seamen, \$4,525.25; travel of immigration officers, \$83.25; exchange, \$427.35. The remainder consisted of meals for seamen at Halifax, \$378; sundries, \$150.72.

<i>Allotment: Immigration Branch—For expenditure in looking after Canadian interests in Germany and German-controlled territories</i>	150,000 00
<i>Expenditures</i>	81,269 79
<i>Lapsed</i>	\$ 68,730 21

Comments on Expenditures

In order to look after the interests of Canadian Nationals, the United States Secretary of State was advanced \$64,500, the Canadian Legation in Buenos Aires \$2,111.36 and the British Minister in Berne, Switzerland, \$6,451.87. Other charges to this allotment include cost of exchange on the purchase of American funds, \$7,095, sundries, \$16.77 and travelling expenses of Canadian Nationals, \$1,094.79.

Since 1939-40 the United States Secretary of State has been advanced \$219,000 in American funds to assist in protecting Canadian interests abroad. This amount, together with \$3,508.13 representing sundry refunds collected by various European embassies, makes a total of \$222,508.13 in American funds to be accounted for. Of this amount \$133,423.26 has been expended, \$14,509.23 classified as administration expenses and \$118,914.03 considered as loans and therefore recoverable. As at March 31, 1942, \$48,118.49 in Canadian funds has been recovered.

<i>Allotment: Immigration Branch—For expenditure in connection with looking after Canadian Interests abroad apart from Germany and German-controlled territories</i>	22,500 00
<i>Expenditures</i>	5,144 27
<i>Lapsed</i>	\$ 17,355 73

Comments on Expenditures

Of this allotment \$3,754.30 was expended in repatriating Canadians from Lisbon to Canada. Relief and repatriation charges to other Canadian Nationals amounted to \$1,640.27. Of this amount, \$5,394.57, \$668.02 has been recovered to date. Exchange amounted to \$417.37; sundry 35c.

DEPARTMENT OF MUNITIONS AND SUPPLY

REVENUES

Summary

	1940-41	1941-42
Special Revenue—		
A Interest on Loans and Advances	1,815 66	447,252 43
B Licences and Fees		54,600 15
C Rental of Buildings		410,156 39
D Rental of Equipment		3,314 70
E Rental of Tank Cars	1,184 25	38,439 68
F Miscellaneous		1,207 44
Refund of Previous Year's War Expenditure		61,331 06
Capital Account—Refund of Previous Years' Expenditure		13,208 83
	\$ 2,999 91	\$1,029,510 68

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

In accordance with the provisions of
Section 45 (1) of the Consolidated Revenue
and Audit Act I have satisfied myself that
the above revenues for 1941-42 have been
fully accounted for.

WATSON SELLAR.
Auditor General.

Details

- A** Atlas Steels Ltd., to Feb. 28, 1942, \$359,554.67; Small Electric Motors (Canada) Ltd., and Rogers Majestic (1941) Ltd., to Dec. 31, 1941, \$11,376.07; Sorel Industries Ltd., to July 31, 1941, \$74,411.51; A. C. Wickman (Canada) Ltd., to Nov. 27, 1941, \$1,910.18.
- B** Scrap Dealers' Licences, \$21,300.15; National Steel Car Corporation Ltd., sub-licence for aircraft manufacture, \$33,300.
- C** Canadian Pratt & Whitney Aircraft Co., Ltd., \$7,451.49; Wartime Housing, Ltd., \$402,200.65; sundry, \$504.25.
- D** Use of government-owned equipment by various companies.
- E** Use of tank cars by Consolidated Mining and Smelting Co. of Canada Ltd., January, 1941, to November, 1941.
- F** Chiefly special discounts granted by suppliers of materials to government-owned plants.
- Refunds of Prior Year's War Expenditure—refunds of 1940-41 administration expenses, almost entirely received from the United Kingdom Technical Mission.
- Capital Account—Refund of Previous Years' Expenditure, sale of machinery at the C.N.R. shops at St. Malo, P.Q., now the St. Malo plant of the Dominion Arsenal at Quebec.
- Refunds of revenues collected amounted to \$200, being licence fees returned to scrap dealers who had recalled their applications for licences.

EXPENDITURES

The Department of Munitions and Supply Act, proclaimed on April 9, 1940, created a department to replace the War Supply Board. The Act empowers the Minister:

- (a) exclusively to acquire or produce munitions of war and supplies and carry out defence projects required by the Department of National Defence, with certain exceptions having to do with defence projects constructed in Canada by persons in the employ of His Majesty, or supplies and defence projects which the Department of National Defence may, at the request of the Minister of Munitions and Supply, purchase or carry out itself;

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

- (b) to mobilize, control, restrict or regulate to the extent deemed necessary any branch of trade or industry in Canada or any munitions of war or supplies;
- (c) to examine into, organize, mobilize, co-ordinate and conserve the resources of Canada contributory to, and the sources of supply of, munitions of war and supplies and the agencies and facilities available for their supply and for the construction and carrying out of defence projects, and to explore, estimate, and provide for the fulfilment of the needs, present and prospective, of the Government and the community.

If authorized by the Governor in Council, the Minister is empowered to act for the Governments of the United Kingdom and of any allied or associated power, in much the same manner as for the Department of National Defence. To date the Minister has been empowered to act for ten such allied or associated powers.

The above functions have resulted in the incorporation of a number of government-owned companies and in the construction, equipping and operation of plants in Canada under private management either to increase existing production facilities or to create new facilities.

As one means of carrying out the functions of mobilizing, co-ordinating and conserving Canada's resources, controllers have been appointed for aircraft, chemicals, construction, machine tools, metals, motor vehicles, oil, power, ship repairs, steel, supplies, timber, transit and transport. Ascertainable expenses of the controllers' offices for the year amounted to approximately \$103,600, which are included in Departmental Administration detailed below. Purchases of commodities and materials by the controllers during the year are detailed under Direct Expenditures through the Department and amounted to \$3,641,469.44.

Various types of contracts are made use of by the Department of Munitions and Supply in purchasing munitions of war and supplies and in carrying out defence projects. An outline of the types utilized is to be found in the War Expenditures section of this report devoted to the Department of National Defence.

As originally enacted, the Department of Munitions and Supply Act provided that, in cases in which the amount involved in any proposed contract exceeded five thousand dollars, the proposed contract could not be entered into by the Minister until authority to do so had been granted by the Governor in Council and, if a lesser amount was involved, the Minister might enter into such proposed contract without authority from the Governor in Council. In the event of an alteration of a contract resulting in the total amount of expenditure involved exceeding that of the original contract by five thousand dollars, the authority of the Governor in Council for such alteration was to be sought.

This provision of the Act was amended by Order in Council P.C. 6036, August 19, 1941, so that the Minister might enter into any contract involving up to but not exceeding fifteen thousand dollars without authority from the Governor in Council. The Minister is required to report to the Governor in Council all such contracts entered into, which involve amounts in excess of five thousand dollars; but not exceeding fifteen thousand dollars, as soon after their execution as practicable.

Order in Council P.C. 9159, November 26, 1941, as amended by P.C. 662, January 30, 1942, provides that when the Minister of Munitions and Supply, or a company, the incorporation of which has been procured under the Munitions and Supply Act, enters into or has entered into a contract "on the basis that the contractor is to receive the cost of performing the work with or without a profit or fee or that the price or prices specified in the contract may be adjusted or reduced to an amount which represents the cost of the work plus a profit or fee thereon, and where such contractor sub-lets part of the work, the Minister of Munitions and Supply may, either before or after the completion of the work, audit the records of any sub-contractor to ascertain if such sub-contractor, in addition to his costs (as determined by the Minister of Munitions and Supply), is receiving or has received for the work done by him a profit in excess of a fair and reasonable profit." If it should be ascertained that such is the case, the sub-contractor is to refund the amount of such excess on the demand of the Minister, who is empowered to sue for and recover such excess profit.

The definition given of sub-contractor is any person engaged to do part of the work under such a contract.

All contracts and sub-contracts of the types specified and entered into since April 9, 1940, were made subject to such an audit and reduction of profit if found excessive.

Order in Council P.C. 455, January 21, 1942, sets forth the procedures to be established in connection with the audit of such sub-contractors' costs. Every auditor of a sub-contractor, shall if so directed by the Minister of Munitions and Supply, submit to the Chief Cost

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

Accountant of the Comptroller of the Treasury's Office a detailed statement of the sub-contractor's costs of the work performed under the contracts specified in the Minister's direction and also showing the aggregate of all billings by the sub-contractor for such work. The detailed statements are to be made up in conformity with such instructions as the Chief Cost Accountant shall issue for such purpose and be accompanied by such documents, certificates and/or other records as the Chief Cost Accountant may require.

Every auditor performing any services pursuant to such directions of the Minister is to be paid by His Majesty such remuneration as the Minister considers fair and reasonable.

Not all subcontractors' accounts have been audited, but a large portion of those which have been audited disclosed overcharges. Some concerns may be presumed to be in a position to make adequate rebates, or to allow the spreading of amounts due over future production. In some cases, recoveries may have to be waived, while in others payments may have to be made in order to ensure delivery of necessary parts although there have been overcharges for parts which have been received.

From April 1, 1941, the expenditures of the Dominion Arsenals at Quebec, P.Q., and Lindsay, Ont., were charged to the allotments of the Department of Munitions and Supply, prior to which date these expenditures were charged to the allotments of the Department of National Defence.

APPROPRIATIONS

In conformity with the terms of Order in Council P.C. 6695, November 19, 1940, the Treasury Board approved estimates of expenditures chargeable to the War Appropriation for the year 1941-42 and commitment authorities for subsequent years totalling \$1,381,496,887.54. In connection therewith there was allotted to the Department the sum of \$5,000,000 for Departmental Administration and under the heading of Expansion of Industry the sum of \$277,131,618.86 to which was added \$286,964.75 by transfer from the Department of Transport.

In reporting expenditures chargeable to these allotments, consideration has been given to agreements between the Minister of Munitions and Supply and the Governments of the United Kingdom and of the United States with respect to refraining from the publication of information relating to the production of munitions and weapons of war, which might be of value to the enemy.

Services	Allotments	Expenditures	Advances	Lapsed
Departmental Administration..	5,000,000 00	4,930,065 52		69,934 48
Expansion of Industry	277,418,583 61	247,761,058 57	24,657,525 04	
Total	<u>\$277,418,583 61</u>	<u>\$252,691,124 09</u>	<u>\$ 24,657,525 04</u>	<u>\$ 69,934 48</u>

Allotment: Departmental Administration	5,000,000 00
Expenditures	4,930,065 52
Lapsed	\$ 69,934 48

Details of Expenditures

A Travelling Expenses and Living Allowances	555,402 89
B Salaries	3,469,219 33
C Advertising	8,369 70
D Telephone, Telegraph and Postage	353,857 18
E Printing, Stationery, Equipment and Supplies	335,196 15
F Freight, Cartage and Express	25,189 82
G Professional and Special Services and Expenses	97,249 53
H Rent, Light and Heat	26,186 23
I Miscellaneous General	38,404 50
J Miscellaneous Recoverable	20,990 19
	<u>\$4,930,065 52</u>

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

Comments on Expenditures

A Travelling expenses and living allowances in excess of \$300 were: H. M. Ainsworth, \$1,851.70; G. Alderman, \$1,307.86; D. W. Ambridge, \$1,337.57; A. C. Anderson, \$1,746.95; B. L. Anderson, \$351.36; R. L. Anderson, \$2,962.40; L. R. Andrews, \$321.50; F. T. Armour, \$1,087.19; S. D. Armour, \$996.09; T. Arnold, \$3,954.27; T. F. Aspden, \$569.63; C. H. Asselstine, \$1,952.39; C. A. Banks, \$6,009.16; C. W. Bark, \$1,586.69; F. R. Barker, \$1,256.76; G. C. Bateman, \$4,891.73; W. J. Bathgate, \$387.07; B. D. Beamish, \$2,665.03; A. H. Beaulne, \$302.25; J. S. Beaumont, \$1,981.22; R. J. Beesley, \$544.48; R. P. Bell, \$10,811.48; R. T. Bell, \$379.48; R. C. Berkinshaw, \$544.87; J. H. Berry, \$762.55; W. M. Berry, \$1,004.01; N. R. Bessey, \$396.15; J. L. Bieler, \$1,547.81; N. T. Binks, \$657.47; F. H. Black, \$5,608.16; R. J. Black, \$430.88; T. G. Bond, \$1,334.86; H. Borden, \$6,354.80; J. H. Boyd, \$1,500.47; J. R. Boys, \$1,119.30; G. F. Bradbury, \$1,089.60; R. A. Bradley, \$373.42; W. G. Bradley, \$524.64; G. E. Brook, \$1,368.56; F. H. Brown, \$5,002.51; K. M. Brown, \$2,313.10; L. L. Brown, \$699.94; R. G. Brown, \$405.97; E. Brownlee, \$469.54; J. J. D. Brunke, \$2,278.79; E. J. Brunning, \$2,435.03; L. W. Bryant, \$484.84; T. M. Bryson, \$622.31; A. B. Buckworth, \$694.58; R. F. Burla, \$3,014.14; C. W. Burns, \$352.39; H. V. Butterfield, \$328.70; T. M. Callaghan, \$673.67; G. W. Campbell, \$471.80; T. D. Campbell, \$2,234.93; Canadian National Railways, \$905.21; Canadian Pacific Railway Co., \$1,081.03; A. H. R. Cann, \$404.69; W. R. S. Careless, \$1,236.56; H. J. Carmichael, \$590.77; H. I. Caro, \$1,767.96; John Carroll, \$938.67; D. B. Carswell, \$1,420.36; J. B. Carswell, \$9,516.56; W. H. Carter, \$1,865.26; R. F. Castleman, \$425.29; G. H. G. Caulton, \$1,023; J. H. G. Champagne, \$504.39; H. B. Chase, \$1,532.17; W. N. Chater, \$760.75; G. P. Cheriton, \$1,324.82; L. Christensen, \$319.07; D. A. Clarke, \$790.61; D. B. Colyer, \$358.97; N. M. Cooke, \$407.30; F. G. Cottle, \$859.40; G. R. Cottrelle, \$3,660.09; T. G. Couch, \$400.26; M. C. Coutts, \$922.52; F. M. Covert, \$504.86; J. I. Cummings, \$735.03; A. F. Cunningham, \$689.79; W. Cunningham, \$1,054.44; D. L. Cramp, \$2,604.72; L. M. Crandall, \$319.85; A. W. Crawford, \$648.09; M. G. Cresswick, \$1,051.50; E. J. Crocker, \$564.85; J. Crone, \$1,228.61; H. W. Darling, \$1,342.70; R. F. Davenport, \$908.58; N. B. Davis, \$457.89; J. C. Dawson, \$365.17; C. H. Day, \$413.40; W. H. De Blois, \$351.75; E. K. Decatur, \$1,312.91; W. A. Delahey, \$586.96; E. A. Devitt, \$1,255.88; D. E. Dewar, \$1,493.90; F. J. Dolan, \$343.25; J. H. Dougherty, \$1,484.23; R. M. Doull, \$387.17; G. D. Drummond, \$1,248.28; C. W. Drury, \$6,546.14; W. F. Drysdale, \$536.51; D. de S. Duke, \$352.08; D. V. Dunbar, \$505.95; P. M. Duncan, \$1,620.49; J. W. Dundass, \$951.88; J. Eaton, \$958.12; S. R. Edgar, \$479.82; C. E. Elliott, \$2,665.37; F. A. Ellis, \$363.82; R. G. Erwin, \$1,108.79; G. I. Evans, \$5,369.02; M. M. Evans, \$827.77; A. Eve, \$942.36; D. M. Farish, \$966.61; M. G. Farquhar, \$1,328.96; Federal Aircraft Ltd., \$1,209.86; M. G. Fiegehen, \$1,349.75; G. Finch, \$1,703.06; W. R. Fiske, \$1,488.72; J. E. Fletcher, \$833.21; B. W. Fox, \$523.52; R. L. Franklin, \$1,252.61; J. G. Fraser, \$1,120.07; C. W. Gale, \$2,055.02; G. D. Gall, \$1,043.65; D. M. Galloway, \$1,342.15; W. S. Gandy, \$579.67; G. C. Garbutt, \$708.51; A. F. Garland, \$2,280; L. B. George, \$489.51; N. E. Gerrow, \$810.63; I. M. Gibson, \$1,447.05; D. Giles, \$684.65; A. F. Gill, \$1,400.75; H. C. Goldenberg, \$527.09; G. G. Goodall, \$2,547.48; C. Gordon, \$899.30; M. G. Gordon, \$480.73; W. J. Gough, \$1,267.92; S. A. Gourlay, \$478.96; G. S. Gray, \$909.10; J. D. Gray, \$906.41; K. H. Gregory, \$389.09; E. T. Griffith, \$572.05; H. S. Hallam, \$1,058.50; W. A. Harrison, \$3,958.04; H. W. Hart, \$934.25; R. N. Harvey, \$1,729.62; A. W. Haydock, \$1,831.24; R. A. C. Henry, \$2,237.67; D. Hepburn, \$474.01; F. Hewett, \$744.62; M. A. Hoey, \$2,631.46; R. J. Holmes, \$380.14; V. R. Homersham, \$2,775.72; T. E. Howard, \$598.47; Hon. C. D. Howe, \$2,596.67; E. J. Howson, \$1,567.82; A. M. Hudson, \$861.58; T. C. Hudson, \$554.62; G. S. Hume, \$1,981.12; S. Hutchinson, \$571.81; C. B. Jackson, \$1,054.33; L. C. Jacobs, \$1,274.60; R. E. Jamieson, \$945.05; F. L. Jeckell, \$2,020.59; R. B. Jennings, \$1,970.36; E. J. Johnson, \$1,165.55; W. A. Johnston, \$1,124.98; G. Jolly, \$416.44; A. R. Jones, \$355.36; Z. Karczewski, \$746.30; G. P. Kay, \$345.60; R. D. Keenleyside, \$1,148.83; B. W. Kelly, \$617.34; J. E. Kenderdine, \$1,446.38; H. C. Kennedy, \$1,667.51; R. J. Kerr, \$601.52; F. B. Kilbourn, \$2,255.23; G. S. Lace, \$894.19; K. W. Laing, \$1,065.77; J. E. Langdon, \$1,238.13; E. V. Larson, \$4,820.85; E. B. Leadley, \$862.79; A. G. Lee, \$788.76; F. S. Lee, \$1,402.20; H. J. Leitch, \$648.48; L. Levin, \$1,225.51; J. Liddle, \$1,081.35; London Office, \$456.64; D. McK. Loomis, \$3,007.57; J. D. Lorimer, \$1,405.80; J. S. Louson, \$859.37; W. D. Low, \$621.26; H. A. Lumsden, \$1,821.22; W. J. Lynch, \$4,627.26; A. E. Macdonald, \$1,928.90; R. D. Macdonald, \$7,152.79; P. B. MacEwen, \$309.13; S. A. Mackay-Smith, \$320.79; K. M. Mackenzie, \$3,553.55; S. C. MacLaren, \$610.23; H. R. MacMillan, \$1,751.56; J. P. D. Malkin, \$4,175.34; H. R. Malley, \$827.23; G. G. Manning, \$1,435.97; G. J. Manson,

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\$961.19; C. W. Marshall, \$878.10; H. A. Marten, \$715.48; J. A. Martin, \$1,814.50; J. A. Massingham, \$839.80; F. M. Mathias, \$1,333.35; W. Mavor, \$464.73; L. D. Mayer, \$404.81; F. C. Mechin, \$2,672.05; C. G. Menendez, \$302.60; V. Michie, \$2,280.60; H. F. Miller, \$363.04; H. T. Mitchell, \$361.25; C. L. Moffatt, \$584.39; H. W. Monohan, \$1,175.56; G. C. Monture, \$1,237.49; J. R. Mooney, \$813.65; A. H. Moore, \$352.60; W. E. Morley, \$1,129.05; R. L. Morrow, \$3,659.05; F. A. Moseley, \$1,452.01; E. P. Murphy, \$609.89; A. D. Murray, \$342.40; C. I. Murray, \$884.64; A. McAlpine, \$1,270.42; J. E. McCallum, \$510; W. S. McCann, \$641.25; W. R. McClelland, \$339.61; W. McCready, \$680.56; A. J. McCulloch, \$473.37; J. A. D. McCurdy, \$5,736.65; F. C. McDonald, \$596.10; F. W. McEwen, \$1,086.83; A. C. McKim, \$1,256.69; D. M. E. McLarty, \$325.34; D. G. McNeil, \$617.15; M. McNicol, \$517.78; J. McParlane, \$1,387.92; D. C. F. Nairn, \$1,789.60; R. Niblock, \$348.10; S. G. Nicholls, \$523.66; A. S. Nicholson, \$7,805.80; C. H. Nicholson, \$439.29; J. R. Nicholson, \$1,121.63; J. L. Noble, \$3,553.44; Noorduynd Aviation, Ltd., \$661.50; G. Ogilvie, \$987.04; J. P. O'Henegan, \$514.04; J. E. Openshaw, \$635.20; A. Osborne, \$470.70; J. E. Osborne, \$423.25; Ottawa Electric Railway Co., \$3,100; W. H. Owen, \$434.77; F. A. Palen, \$1,360.90; K. B. Palmer, \$1,021.18; J. E. Parker, \$6,144.62; W. J. R. Paton, \$1,063.61; H. J. Patterson, \$747.82; R. G. Peers, \$626.88; W. Percival, \$2,947.61; E. C. Perley, \$456; J. R. Petrie, \$531.64; J. P. Pettigrew, \$1,280.77; S. D. Pierce, \$3,882.80; W. Pittman, \$903.73; C. Poitevin, \$1,116.85; C. H. O. Pook, \$768.40; R. G. Presti, \$775.26; L. L. Price, \$762.99; E. M. Proctor, \$1,460.44; A. W. Quesnel, \$611.53; F. R. Reevely, \$810.36; B. T. Riordan, \$1,593.19; C. N. Ritchie, \$1,890; J. A. Roberts, \$1,743.47; R. H. Robinson, \$333.63; G. H. Rochester, \$1,046.60; S. F. Rook, \$3,347.50; D. D. Rosenberry, \$898.21; F. M. Ross, \$3,038.55; J. R. Ross, \$4,317.15; M. V. Ross, \$486.21; F. G. Rounthwaite, \$1,541.51; R. Rousseau, \$1,114.24; A. G. Sangster, \$1,039.02; J. B. Scott, \$615.67; W. B. Scott, \$77.84; G. K. Sheils, \$1,056.93; L. H. Sherwood, \$3,234.65; T. W. Siers, \$3,451.46; W. G. Sims, \$1,367.01; H. J. Sissons, \$1,035.93; H. C. Smith, \$334.18; N. H. Smith, \$1,248.35; R. T. Smith, \$373.53; F. T. Smye, \$2,267.32; H. T. Sprang, \$332.60; D. Stairs, \$1,072.31; S. J. Staniforth, \$1,700.10; D. A. Stannard, \$360.30; C. B. Stenning, \$606.21; W. W. Stewart, \$1,310.36; J. B. Stirling, \$627.14; W. H. Stoker, \$739.61; J. L. Straith, \$315.05; A. A. Streatfield, \$325.92; S. H. Sutherland, \$520.13; L. V. Sutton, \$1,152.52; L. D. Tatley, \$449.70; E. A. Taylor, \$2,114.16; J. R. K. Taylor, \$371.34; H. K. Thompson, \$3,382.50; L. R. Thomson, \$826.63; A. S. Tindale, \$325.63; G. W. Tingley, \$768.83; A. Todhunter, \$1,328.27; A. W. Tolmie, \$750.97; Trans-Canada Airlines Ltd., \$415.35; C. D. Tripp, \$428.56; N. Trudeau, \$703.13; H. W. Tuerker, \$328.62; W. C. Tuer, \$320.80; J. G. Turton, \$356.49; Roy Tutt, \$730.76; A. K. Tylee, \$1,817.81; U. S. Officers' Party, \$2,708.92; A. F. Vaison, \$2,628.68; A. Vallance, \$2,614.81; L. M. Vaugeois, \$360.76; M. H. Vernon, \$454.21; W. M. Waddell, \$1,064.33; A. A. Walker, \$5,573.12; R. L. Wall, \$325.96; T. E. Warner, \$978.58; Washington Office, \$626.67; W. G. Watkinson, \$616.35; S. S. Weatherbie, \$1,098; L. K. Webber, \$2,222.80; R. C. P. Webster, \$1,802.63; L. E. Wetmore, \$541.50; L. H. Wheaton, \$2,202.92; F. H. White, \$1,659.56; G. R. B. Whitehead, \$1,343.41; G. L. Wiggs, \$1,457.38; W. E. Wilford, \$582.89; E. W. Willard, \$3,445.48; A. H. Williamson, \$1,118.37; F. P. Wilson, \$337.74; R. T. Wise, \$6,321.09; D. S. Wood, \$4,404.64; G. T. Wood, \$3,079.46; W. J. Worden, \$646.70; C. E. Wright, \$6,182.74; A. Wynn, \$322.18; H. R. Yates, \$470.43; R. Yuill, \$405.42; A. H. Zimmerman, \$426.13.

B As of March 31, 1942, there were paid from this allotment 3,134 employees, including 106 employees in the London, England, Office, 31 employees in the United States Offices, and 17 employees transferred from the Department of National Defence. The reimbursement to various firms for salaries of employees loaned to the Department of Munitions and Supply was also made from this allotment. The following were receiving annual salaries of \$2,400 or over on March 31, 1942, or at date of separation (shown in brackets): G. K. Sheils, Deputy Minister, \$10,000; A. H. S. Adams, \$3,600; G. Alderman, \$3,850; I. R. N. Alford, \$3,000; W. J. Allen, \$3,600 (Feb. 21); F. N. Amey, \$3,600; Capt. B. L. Anderson, (Department of National Defence), \$9 per day; A. D. Anderson, \$3,600; C. G. Anderson, \$2,400 (May 10); C. W. Anderson, \$2,400; J. R. Anderson, \$4,500; J. W. Anderson, \$2,700; R. L. Anderson, \$3,600; W. A. Andrew, \$3,900 (May 10); W. J. Andrew, \$3,300; L. R. Andrews, (B.C. Lumber and Shingle Mfg. Ass'n), \$3,600; J. W. Archibald, \$2,400; F. T. Armour, \$4,200; S. D. Armour, \$7,200; E. G. Arnold, \$3,300; T. E. Arnold, \$3,000; E. Ashburner, \$3,600; C. H. Asselstine, (Ford Motor Co. Canada Limited), \$3,000; K. W. Atkinson, \$2,400; W. C. Atkinson, \$3,600; W. J. Atkinson, \$4,320; K. E. S. Ault, \$2,400 (Mar. 9); K. R. Ayer, \$4,200 (Oct. 1); A. M. Bain, (Dominion Bridge Co. Ltd.),

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\$4,500; D. H. Baird, \$3,000; C. W. Bark, \$2,400; F. R. Barker, \$2,820, (Jan. 22, noon); H. G. Barkes, \$3,100; A. A. Barton, \$3,000; W. J. Bathgate, \$2,820; F. C. Bating, \$3,000; A. H. Beaulne, \$3,600; J. S. Beaumont, \$4,200; L. R. Beigneul, \$3,000; R. B. Bedwell, \$3,000; D. J. Bell, \$3,000; H. H. Bell, \$2,520; R. T. Bell, \$4,200; W. J. Bennett, \$6,000; T. C. Bermingham, \$2,820; J. H. Berry, \$9,000; R. Berry, \$4,800; O. Besette, \$3,000; N. R. Bessey, \$2,820; J. L. P. Bieler, \$4,200; N. T. Binks, \$4,200; E. R. Birchard, \$6,000; R. J. Black, \$2,400; W. G. Blakey, \$4,200; B. C. Blizzard, (Imperial Oil Co. Ltd.), \$4,200; W. C. Blundell, \$3,600; T. Z. Boles, \$3,240; W. R. Bonnycastle, \$3,600; E. R. Bonter, \$4,500; R. Bouchard, \$3,000; J. H. Boyd, \$2,400; A/Capt. F. R. Boynton, (Department of National Defence), \$7.70 per day; H. E. Bradley, \$3,420; R. A. Bradley, \$4,800; W. Bradley, \$4,200; T. Brazier, \$2,600; R. J. Brennan, \$2,700; G. A. Briggs, \$3,960; G. E. Brook, \$3,000; C. J. Brooks, \$2,400; A. W. Brown, \$4,440; S. L. Brown, \$3,000, (U.S. Funds); J. J. D. Brunke, \$3,000, (U.S. Funds); E. W. Bryant, \$5,500; L. W. Bryant, \$3,180; T. M. Bryson, Secretarial Allowance, \$600, (Salary paid by Department of Transport); P. B. Buckley, \$3,420; K. J. Burbridge, \$2,400; G. E. Burkholder, \$3,600; R. F. Burla, \$6,600; C. W. Burns, \$4,200; H. V. Butterfield, \$4,000; R. L. Byron, \$2,400; H. G. Caldwell, \$3,000; D. G. Calvert, \$3,600; A. C. Campbell, \$3,900; L. B. Campbell, \$3,600; L. R. Campbell, \$3,600; T. D. Campbell, (Shell Oil Co. of Canada, Ltd.), \$4,800; T. L. Campbell-Rogers, \$3,240; A. H. R. Cann, \$3,000; W. R. S. Careless, \$3,000; J. Carroll, \$3,600; A. W. Carson, \$2,700, (Sept. 4); R. F. Castleman, \$3,100, (U.S. Funds); D. B. Carswell, \$8,000; J. M. Carswell, \$3,300; W. H. Carter, \$2,820; D. F. Cassillis, \$3,000; G. H. G. Caulton, \$10,000; L. Charbonneau, \$2,520; A. Chartier, \$3,500; H. B. Chase, \$7,750, living allowance \$900, (Oct. 1); W. N. Chater, \$3,900; G. P. Cheriton, \$2,700; E. M. Clark, \$2,520; T. A. Clark, \$2,400; K. H. J. Clarke, \$2,400; H. H. Claudet, \$2,400; H. G. Cochrane, \$4,000; W. Coffey, \$2,400; M. Cohen, \$3,000, (July 16); D. B. Colyer, \$10,000 (U.S. Funds); C. J. Cooper, \$3,000; W. E. Cooper, \$3,000; B. J. Corey, \$3,000, (June 10); T. L. Costello, \$2,460; F. G. Cottle, \$5,400; T. G. Couch, \$3,420; E. F. Coughlin, \$3,600; J. M. Coughlin, \$2,700; M. C. Coutts, \$2,820, (Nov. 23); F. M. Covert, \$7,200; E. A. A. Cowen, \$2,700; C. Craig, \$3,900; D. L. Cramp, \$4,200; E. W. Croll, \$3,420; C. F. Cross, \$3,000; G. D. Curimings, \$3,420; J. I. Cummings, \$2,520; T. W. Cumner, \$6,000; A. F. Cunningham, \$3,420; W. Cunningham, \$2,700; W. Dale, \$2,520; F. St. L. Daly, \$3,900; H. W. Darling, \$3,600; W. Dalziel, \$3,300, (U.S. Funds); R. F. Davenport, \$2,400; J. Davidson, \$2,400; G. R. Davies, \$2,700; A. E. Davis, \$3,420; F. M. Davis, \$3,600; N. B. Davis, \$3,600, (Jan. 1); E. S. Davison, \$2,400; C. H. Day, \$10,000, (Sept. 1); C. E. Daynard, \$2,700; R. J. Deachman, \$4,200; E. K. Decatur, \$3,000; A. S. Deegan, \$3,000; W. A. Delahay, (Transcontinental Lumber Co. Ltd.), \$3,600; E. Desormeaux, \$2,700; J. B. Detwiler, \$3,600; E. A. A. Devitt, \$2,880; Brigadier D. E. Dewar, (Department of National Defence), \$17 per day; F. H. Dietrich, \$2,400; S. L. Dion, \$3,500; E. S. Dixon, \$4,800; G. L. Doak, \$2,700, (July 20); C. B. Doheney, \$3,720; F. J. Dolan, \$3,300; R. T. Donald, \$3,900; P. E. Doncaster, \$4,620; T. Dorion, \$3,000; R. M. Doull, \$4,200; J. H. Dryburgh, \$2,400; P. J. Duggan, \$3,600; P. M. Duncan, (Imperial Oil Co. Ltd.), \$2,400, (U.S. Funds); J. W. H. Dundass, \$3,100; H. K. Dunn, \$3,600; J. Durrant, \$2,700; H. J. Earp, \$2,820; J. Eaton, (Canadian Pacific Railway Co.), \$9,000, (June 30); H. L. Eccles, \$2,880; S. R. Edgar, \$3,000; B. F. Edgington, \$3,300; H. H. Edmison, \$3,000; C. E. Elliott, (Easy Washing Machine Co. Ltd.), \$3,600; D. G. Elliott, \$3,000; T. W. Elliott, \$2,400; A. A. Ellis, \$2,600; F. A. Ellis, \$3,480; R. T. Elworthy, \$4,200; D. E. Erskine, \$2,700; R. G. Ervin, \$8,880; G. Evans, \$6,000, (Dec. 1); A. A. B. Eve, \$3,000; F. W. G. Everitt, \$2,520; J. W. Fairlee, \$3,900; M. G. Farquhar, (Abitibi Power and Paper Co. Ltd.), \$2,790; M. G. Fiegehen, \$3,900; F. F. Field, \$3,000; G. F. Finch, (Rolls Royce Co. Ltd.), \$3,352.50 and \$411.5s.; G. K. Fiskien, \$4,200; T. H. Fitzgerald, \$2,400; J. E. Fletcher, \$3,600; W. R. Fiske, \$10 per day; R. E. Foster, \$3,000; J. Fowler, \$4,200, (Jan. 1); J. Francis, \$4,620, (Apr. 8); W. Francis, \$3,600; R. A. S. Fraser, \$2,520; H. Frawley, \$4,200; H. R. Frizzle, \$2,700; D. S. Fyfe, \$2,520; T. M. Fyshe, \$4,000; J. H. Gains, \$3,600; C. W. Gale, \$15 per day (U.S. Funds); D. M. Galloway, \$4,200; W. S. Gandy, \$3,600; G. C. Garbutt, \$3,600; C. J. Gardner, \$3,600; C. Gavsie, \$3,600; L. B. George, (Canadian Pacific Railway Co.), \$6,000; N. E. Gerrow, \$2,580; A. R. Gilchrist, \$4,200; D. Giles, (Canadian S.K.F. Co. Ltd.), \$5,000; J. J. Gilfillan, \$3,000; A. F. Gill, \$3,720, (Nov. 5); W. E. Gillott, \$4,800; H. S. Glover, \$2,700; M. J. Golden, \$4,800; H. C. Goldenberg, \$6,000; R. M. Gooderham, \$4,200; M. G. Gordon, \$4,800, (U.S. Funds); E. N. Gougeon, \$4,500; W. J. Gough, \$3,600; S. A. Gourlay, \$2,700; G. A. Grafftey, \$2,400; J. S. Grant, \$2,520; L. Grant, \$4,200; R. W. Grant, \$2,700, (June 22); G. S. Gray, \$7,500; K. H. Gray, \$3,000; T. J. Gray, \$2,820; K. H. Gregory, \$2,400; C. J. Gribbin, \$2,700, (Oct. 9); J. A. Griffiths, \$3,000;

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W. T. G. Hackett, \$6,000; A. H. D. Hair, \$2,400; A. S. J. Hall, \$3,600; F. E. Hall, \$4,800; R. A. Hamilton, \$3,000; W. R. Harris, \$3,900; H. S. Harrison, \$3,000; G. J. P. Hart, \$2,400, (U.S. Funds); H. W. Hart, \$3,200; A. W. Haydock, \$2,820; H. H. Haydon, \$5,000; T. M. Hawkins, \$3,600; E. Hehner, \$3,600; C. G. Heilig, \$4,200; D. D. Hemsworth, \$4,200; D. J. Herring, \$2,700, (U.S. Funds); F. V. C. Hewett, \$3,000; S. Hicks, \$3,000; P. R. Hoad, \$3,600; E. S. Hoare, \$3,180; R. G. Hodge, \$2,400; D. J. Hoist, \$3,600; G. A. Holland, \$3,000; R. J. Holmes, \$2,400; V. R. Homersham, \$4,800, (U.S. Funds); T. E. Howard, \$4,200; R. W. Howe, \$4,200; E. A. Hubbard, \$2,700; A. M. Hudson, \$4,200; T. C. Hudson, \$4,200; H. A. Hughston, \$2,400; G. L. Humphrey, £55 per month; S. Hutchinson, \$3,600; H. R. Impey, (Canadian Pacific Railway Co.), \$2,700; R. B. Imrie, \$2,400; L. Ingham, \$3,100, (U.S. Funds); G. S. Issell, \$3,000; C. B. Jackson, \$7,200; L. C. Jacobs, \$7,200; W. H. Jacobs, \$3,120; R. N. Jago, \$3,300; G. James, \$3,900; E. C. Jamieson, \$3,300; R. E. Jamieson, \$7,200; A. A. Jansen, \$3,900; J. T. Janson, \$3,660, (May 1); G. M. Jarvis, \$4,800; F. L. Jeckell, \$6,000; R. B. Jennings, \$4,200; G. L. Jennison, \$4,200; R. E. Johnson, \$4,200; R. G. Johnson, \$3,300; B. A. Johnston, \$3,600; D. W. Johnston, \$2,400; W. A. Johnston, \$4,500; A. R. Jones, \$5,000; P. G. Jones, \$3,000; J. A. J. Kane, \$3,300; G. P. Kaye, \$5,100; J. F. Keane, \$3,000; T. J. Kearney, \$2,400; T. C. Keefer, \$3,000, (May 16); R. D. Keenleyside, \$4,200; B. W. Kelly, \$4,200; R. L. Kelly, \$3,600; A. A. Kemeny, \$4,200; J. E. Kenderdine, \$4,200; J. De N. Kennedy, \$7,500; J. W. Keppel, \$3,000; A. G. Kerr, \$2,700; R. J. Kerr, \$3,480; G. W. Kimmerly, \$2,400; A. King, \$2,700; J. M. Kitchen, \$3,900; B. F. Knight, \$3,120; G. S. Lace, \$3,300; K. W. Laing, \$2,820; H. F. Lalonde, \$3,600; E. F. Lambert, \$4,000; J. H. Lamprey, \$4,500; J. E. Langdon, (Imperial Oil Co. Ltd.), \$3,750, (Mar. 28); G. E. Langevin, (Canadian Pacific Railway Co.), \$3,000; E. V. Larson, \$3,600; R. E. Lawson, \$5,000; W. S. Lecky, \$5,000; A. G. Lee, \$2,700; F. S. Lee, \$4,200; P. J. Lefebvre, \$3,060; H. P. Lemay, \$3,240; L. M. Leo, \$2,400; A. J. LeQuene, \$2,400; L. Levin, \$3,600; J. L. Liddle, \$3,280; M. C. Lodge, \$2,520; J. E. M. Logan, \$2,700; D. M. Loomis, \$3,600; H. A. Low, \$2,880; R. A. Low, \$3,200, (Sept. 1); W. D. Low, \$6,000, (Oct. 1); H. J. Luck, \$3,600; H. Lumsden, \$4,200; A. D. Lunt, \$3,600; P. D. Lyons, \$3,600; A. R. MacCallum, \$3,200; A. E. MacDonald, \$2,400; R. D. MacDonald, \$15 per day; G. F. MacDonnell, \$3,000; P. B. MacEwen, \$4,200; S. A. MacKay-Smith, \$2,400, (Feb. 17); D. G. Mackenzie, \$7,500, (Oct. 1); F. S. Mackey, \$2,400, (Dec. 1); R. W. MacLean, \$3,500; A. M. MacLennan, \$2,400; D. C. MacRostie, \$2,400; C. F. Magurn, \$2,820; P. F. Maitland, \$4,500; H. R. Malley, \$6,000; M. Mainwaring, (Canadian Pacific Railway Co.), \$2,700; J. M. Mann, \$2,700, (U.S. Funds); G. G. Manning, \$3,600; G. J. Manson, \$4,200; D. C. Markey, \$3,000; J. Marsh, \$5,000; T. W. Marson, \$2,400; A. J. Martin, \$4,800; G. S. Mason, \$3,600; J. A. Massingham, \$2,500; W. Meath, \$2,700; E. R. Medland, \$3,000; C. G. Menendez, \$4,320; T. D. Merrigan, \$2,800; L. L. Merrill, \$2,400, (Apr. 13); D. J. O. Meyers, \$4,800; V. Michie, \$5,400; W. A. Milburn, \$3,600; A. E. Millar, \$3,600; H. S. Millar, \$3,000, (Mar. 19); A. W. Miller, \$3,600; D. H. Miller, \$3,000, (U.S. Funds); J. A. F. Miller, \$4,200; R. B. Miller, \$2,600; W. C. Miller, \$2,700, (U.S. Funds); N. Millman, \$6,000; A. N. Milne, \$2,700; E. T. Milne, \$4,800; E. Mitchell, \$3,000; H. W. Monahan, \$4,000; J. R. Montgomery, \$3,180; J. R. Mooney, \$3,000; A. S. Morgan, \$4,500; G. P. Morison, \$3,600; C. P. Morrison, \$3,720; F. S. Morrison, \$2,400; C. E. Morshead, \$3,720; F. A. Moseley, \$3,000; C. R. Muller, \$2,400, (U.S. Funds); E. P. Murphy, \$2,880; C. I. Murray, \$3,600; W. S. McCann, \$4,200; J. D. McCarthy, \$3,000; W. R. McClelland, \$3,300; E. C. McDevitt, \$3,000; B. T. McDonagh, (Canadian Pacific Railway Co.), \$2,700; D. M. McDonald, \$2,400; F. C. McDonald, (Dominion Bridge Co. Ltd.), \$4,200; M. P. McDonald, \$4,200; W. C. McEachern, \$3,600, (Mar. 1); N. D. McGregor, \$2,400, (U.S. Funds); A. McGugan, \$5,000; L. E. McIntaggart, \$2,400; L. A. McIntyre, \$2,820; D. A. McKay, \$3,600; W. J. McKee, \$3,400; K. M. McKenzie, (Imperial Oil Co. Ltd.), \$3,000, (U.S. Funds); H. E. McKibbin, \$2,820; F. A. McKinley, \$2,400; S. C. McLaren, \$4,800; H. H. McMahon, \$6,600, (Apr. 13); F. G. McNeely, \$2,800; D. G. McNeil, \$3,600; M. McNicol, (Beaver Lumber Co. Ltd.), \$3,600; J. McParlane, \$3,000; W. M. McRobert, \$4,200; D. McRoberts, \$4,200; D. C. F. Nairn, \$2,820, (Dec. 1); S. A. Nault, \$2,500; G. Neely, \$3,400; W. J. Neville, (Canadian Pacific Railway Co.), \$2,820; A. H. Newman, \$3,000; R. B. Niblock, \$2,400; L. E. Nichol, \$3,600; W. E. Nichol, \$2,700; J. R. Nicholson, \$7,500; H. W. Nicoll, \$3,600; G. Ogilvie, \$5,000; J. A. Ogilvy, \$3,300; J. W. O'Hara, \$2,400; D. A. O'Leary, \$3,200; J. E. Openshaw, \$4,200; W. H. Owen, \$3,000; R. M. Oxley, \$2,400; F. Pain, \$2,400; F. A. Palen, \$3,060; K. B. Palmer, \$7,200; L. D. Palmer, \$4,500; S. W. C. Palmer, \$3,300; N. O. Paquette, (Chrysler Corp. of Canada Ltd.), \$3,600; C. Parisien, \$2,400; A. S. Parker, \$3,900; G. Parsons, \$3,600; J. A. H. Paterson, \$3,900; W. J. Paterson, \$2,700; W. J. R. Paton, \$3,380; H. J. Patterson, \$3,300; W. T. Patterson,

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- \$3,900; R. H. Peene, \$2,820; R. G. Peers, \$4,500, (July 1); W. Percival, \$6,500; Z. H. Petch, \$2,400; A. T. Peters, \$3,120; J. P. Pettigrew, \$7,500; S. D. Pierce, \$3,000, (Nov. 1); G. H. Piersol, \$2,600; F. G. Pinder, \$2,700; C. H. O. Pook, \$3,600; J. G. Porter, \$2,400; F. X. Power, \$3,180; R. G. Prestt, \$3,600; L. L. Price, \$6,000; E. M. Proctor, \$4,200; W. F. H. Purcell, \$2,700, (U.S. Funds); R. A. Pyne, \$3,600; N. W. Quast, \$3,000; A. C. Rayment, \$4,200; F. R. Reevely, \$4,500; G. B. Reynolds, \$3,000; J. A. Reynolds, \$2,700; L. Rhodes, \$4,200; E. C. Richardson, \$4,800; A. L. Rimmer, \$2,400; B. T. Riordan, \$4,200; J. F. Roach, \$3,300; C. A. Robb, \$5,000, (Sept. 20); J. A. Roberts (Chrysler Corp. of Canada Ltd.), \$3,000, (U.S. Funds); A. E. Robertson, \$2,400; R. A. Robic, \$4,200; R. E. Robinson, \$4,140; W. E. Robshaw, \$2,400; J. A. Robson, \$3,900; I. F. Roche, \$2,700; G. H. Rochester, \$3,480; L. B. Rochester, \$3,600; W. L. Rochester, \$3,000; A. Rockliff, \$2,820; A. E. Rogers, \$2,400; W. J. R. Rogers, \$3,120; D. D. Rosenberry, \$4,500; P. V. Rosewarne, \$4,020; J. R. Ross, \$4,000; M. A. Ross, \$3,000; M. V. Ross, \$4,200; F. G. Rounthwaite, \$6,000, (U.S. Funds); M. F. Rourke, \$2,400; M. E. Rous, \$3,000; R. Rousseau, \$5,000, (Sept. 15); L. C. Ruby, \$3,600; A. D. Russel, \$3,600; G. S. Rutherford, \$6,000, (Oct. 1); L. J. Salter, \$5,000, (Aug. 21); E. H. Sanderson, \$3,000; J. A. Saunders, \$2,400; S. C. Scobell, \$4,800; D. B. Scott, \$4,200, (U.S. Funds); J. B. Scott, \$2,400, (June 1); J. C. Scott, \$3,600; W. Scott, \$3,000; W. B. Scott, \$2,700; E. W. Sheehan, \$2,700; L. H. Sherwood, \$3,300; T. W. Siers, (Canadian Airways Ltd.), \$4,800; S. Sigmundson, \$4,200; H. E. Silver, \$3,000; E. A. Simpson, \$2,700; A. G. Sims, \$4,500; D. J. Sinclair, \$3,600, (Mar. 4); D. Q. Sinclair, \$2,400, (May 6); J. R. Sirrs, \$3,000; H. M. Skelton, \$3,600; J. Skinner, \$2,400; H. C. Smith, \$2,400; J. R. Smith, (Hydro-Electric Power Commission of Ontario), \$3,000; R. T. Smith, \$3,600; G. M. Smithers, \$2,400; F. T. Smye, \$4,000; H. R. Smyth, \$5,000; R. E. Sneyd, \$2,820; A. R. M. Sowdon, \$3,420; F. A. Sproule, \$3,600; W. R. Sproule, \$2,700, (Feb. 11); D. A. Stannard, \$4,800; W. S. Stavert, \$3,000; W. G. Stenason, \$3,600; C. B. Stenning, \$5,000; S. C. Stephenson, \$2,400; W. W. Stewart, (Imperial Oil Co. Ltd.), \$3,900, (U.S. Funds); J. B. Stirling, \$4,200; R. A. Strong, \$4,020; H. M. Sunderland, \$5,070; S. H. Sutherland, \$3,700; H. W. B. Swabey, \$4,200; L. D. Tatley, \$3,120; F. Taylor, \$2,520; H. F. Taylor, \$3,800; J. R. K. Taylor, \$3,000 and \$2,400, (U.S. Funds); C. J. Thomson, \$3,300; L. R. Thomson, \$8,000; R. Thomson, \$3,900; W. H. Tidd, \$2,400; M. C. Tillotson, \$3,600; A. S. Tindale, \$6,000; G. W. Tingley, \$5,000; A. W. Todhunter, \$5,000; A. W. Tolmie, \$3,600; G. A. Torrance, \$2,820; A. E. Tremblay, \$2,820, (Apr. 6); K. F. Trimmingham, \$2,400; C. D. Tripp, \$2,820; J. N. Trudeau, \$3,600; H. W. Tucker, \$3,000; W. C. Tuer, \$3,000; J. Tugman, \$3,000, (Aug. 28); H. H. Turnbull, \$6,000; W. C. Turnbull, \$2,400; J. G. Turner, \$3,600; R. Tutt, \$2,820; A. K. Tylee, \$5,520; W. E. Uren, \$4,800; A. F. Vaison, \$3,240; A. Vallance, \$2,400; L. M. Vaugeois, \$3,900; C. Vizer, \$2,700; W. M. Waddell, \$3,000; E. H. Wait, \$2,700; T. E. Walker, \$4,020, (Sept. 17); E. B. Wallingford, \$2,700; C. K. Walton, \$2,820; W. H. Walton, \$3,120, (Oct. 7); T. E. Warner, \$3,300; W. J. Washburn, \$2,700; C. F. Watson, \$2,400; K. C. Watson, \$3,780; W. C. Watt, \$3,800; S. S. Weatherbie, \$4,800; L. K. Webber, \$4,200; P. F. Weiss, \$3,000; C. H. Westmore, (Ford Motor Co. of Canada Limited), \$3,600; L. H. Wheaton, \$3,600; C. E. White, (Canadian National Railways), \$2,400; F. H. White, \$6,600; A. W. Whitmore, £55 per month; R. L. Wiginton, \$3,300; W. E. Wilford, (Canadian Pacific Railway Co.), \$6,600; W. F. Williams, \$5,000; A. H. Williamson, \$8,000; W. A. Willis, \$3,000; G. H. Wilson, \$4,200, (June 1); J. E. Wilson, (Ford Motor of Canada Limited), \$4,200; N. D. Wilson, \$4,200; V. W. G. Wilson, \$3,900; R. T. Wise, \$13,320; D. S. Wood, \$2,880; G. T. Wood, \$2,400; J. P. Wood, \$2,400; W. B. Woodland, \$3,600; J. H. Wright, \$2,400; W. J. Wright, (Hydro-Electric Power Commission of Ontario), \$3,000; A. F. Wynn, \$2,400; R. H. Yarnell, (Canadian Pacific Railway Co.), \$4,800; H. R. Yates, \$5,500; J. C. Young, \$2,500; R. T. Young, \$4,080, (Apr. 16); W. J. Young, \$2,750; R. J. Younge, \$3,000; R. Yuill, (National Harbour Board), \$5,100, (Dec. 31).
- C** National Film Board, \$2,277.85; Department of Public Printing and Stationery, \$1,640.20.
- D** Bell Telephone Co. of Canada Ltd., \$200,746.80; British Columbia Telephone Co., \$4,743.51; Canadian National Telegraphs, \$64,545.82; Canadian Pacific Railway Co., Communications Dept., \$36,432.64; New Brunswick Telephone Co. Ltd., \$3,263.27.
- E** Department of Public Printing and Stationery, \$320,156.55.
- F** Canadian National Railways, \$10,172.17; Canadian Pacific Railway Co., \$2,265.98; Trans-Canada Airlines, \$5,965.71.
- G** H. S. Labelle, \$3,728.17; Lambert, German and Milne, \$22,032.64; O. J. McCulloch, \$3,027.55; A. G. McKee & Co., \$5,337.58; National Research Council, \$12,815.31; Charles Warnock & Co. Ltd., \$31,706.38.
- H** For London, England, Offices, \$18,237.06.

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I Willis, Faber & Co., Canada Ltd., \$5,370, (Fidelity insurance on officers of government-owned companies and pre-financed projects involving private companies); expenditures in connection with exhibits—Canadian Comstock Co. Ltd., \$1,564.81; Federal Aircraft Ltd., \$2,312.28; G. C. Garbutt, \$1,688.10; John Inglis Co. Ltd., \$1,704.49; R. G. Kirby & Sons Ltd., \$3,357.64.

J United Kingdom Technical Mission, \$20,150.17, of which \$2,528.53 had been collected at Aug. 15, 1942.

Audit Notes

This allotment was charged with \$170 which was properly chargeable to Vote 341, Commercial Intelligence Service, Department of Trade and Commerce.

Salaries were paid to eight employees whose employment was not authorized by the Civil Service Commission.

In several cases the Department secured additional employees as replacements and continued to pay the employees who were replaced. One employee was assigned by the Civil Service Commission on September 13, 1941, to replace an employee who was reported as having resigned on September 5, noon. Both employees were paid to March 31, 1942. Two employees at salaries of \$6,000 and \$3,900 were paid from September 15 to September 30, 1941, while occupying position MS-A-4852.

Allotment: Expansion of Industry	272,418,583 61
Expenditures	247,761,058 57
Advances	24,657,525 04
	272,418,583 61

In addition to the above, payments have been made by the Department to suppliers in connection with orders placed through War Supplies Ltd. by the Government of the United States. Advance payments have been made by that Government covering stores in process of manufacture and amortization of capital investment made by the Department. As at March 31, 1942, these advance payments exceeded payments by the Department on account of stores and outstanding accounts receivable by the sum of \$36,514,002.66.

Advances, totalling \$24,657,525.04, were made to private and government-owned companies; as these are to be recovered in due course, they have, in the meantime, been charged to Open Account. Details of the advances to government-owned companies are given under "Financial Requirements of Government-owned Companies."

This allotment was provided and expenditures were made, under the following headings, to enable the Department to secure an adequate supply of munitions and supplies by increasing the production facilities of private companies, by the purchase of certain commodities and materials and by providing for the operation of, and/or production by, government-owned companies:

	Estimated Requirements	Expenditures
Charged as Expenditures		
Capital Assistance to Private Companies.....	234,517,898 87	89,908,300 47
Munitions Production Allotment Fund	100,000,000 00	82,117,881 95
Direct Expenditures through the Department	619,100,413 51	53,482,648 09
Financial Requirements of Government-owned Companies	75,274,904 84	42,374,579 82
	1,028,893,217 22	267,883,410 33
Less: Recoveries and Sales		20,122,351 76
		247,761,058 57
Charged to Open Accounts		
Loans and Advances		
To Government-owned Companies	46,800,000 00	15,396,975 09
To Private Companies	11,923,528 16	9,260,549 95
	58,723,528 16	24,657,525 04
	1,087,616,745 38	\$ 272,418,583 61
Estimated requirements provided for orders placed through War Supplies Ltd.	293,880,142 16	
Total estimated requirements	\$1,381,496,887 54	

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The estimated requirements are the Treasury Board approvals of estimates of expenditures chargeable to the War Appropriation for the year 1941-42 and commitments for subsequent years and, generally speaking, approximate the estimated cost of the project or type of expenditure to the Department.

In the following sections of this report, the amount shown under the heading of estimated requirements and set opposite each company and type of expenditure is that approved by Treasury Board in the year under review, adjusted, where necessary, for expenditures in the previous fiscal year. Adjustments have also been made with respect to some projects, the costs of which are being borne jointly by the United Kingdom and Canada, since the United Kingdom has approved revisions of the amounts which it originally authorized the Department to charge to its account with respect to such projects, such revisions not having been reflected in the Treasury Board approvals of the cost to be borne by Canada.

Expenditures detailed below for the fiscal year 1940-41 are not in some instances the same amounts as were shown in the report for that year, because, during the year under review, recoveries of a part of such expenditures have been received and, in addition, certain adjustments were necessary in view of information which was subsequently received. Details of such recoveries and adjustments are given in subsequent sections of this report.

A large number of transfers of machinery and equipment between companies have taken place; these are not reflected in the amount of capital assistance to companies listed in this report nor in all the relative Departmental records. In some instances transfers of such machinery have been made to companies for which capital assistance has not been authorized. Consideration has not been given as to whether the title of machinery vesting in the Government of the United Kingdom and/or Canada was transferred to plants, the title to which is similarly vested. As a consequence the amounts shown hereunder represent, in many cases, the initial investment made by the Department up to March 31, 1942, rather than the actual value of the respective plants at that date.

CAPITAL ASSISTANCE TO PRIVATE COMPANIES

	Estimated Requirements	Expenditures
General Munitions	165,261,798 69	67,044,359 28
Air	53,854,120 38	17,340,440 56
Shipping	15,401,979 80	5,523,500 63
	<u>\$234,517,898 87</u>	<u>\$ 89,908,300 47</u>

GENERAL MUNITIONS

Purpose for which Allotment was provided

Expenditures for plant extensions and alterations, construction of new buildings, and purchase and installation of machinery, equipment, and tools to enable private companies to expand existing facilities and/or to provide new facilities for the production of munitions, supplies, weapons of war, etc.

Agreements, entered into by the Department covering capital assistance to be given companies, provide for such assistance to be extended by the Department under one of two methods. One type of agreement provides that the company concerned is to be advanced month by month the amount which the company estimates will be required to meet its disbursements. Monthly, the company is required to submit statements, certified by a representative of the Comptroller of the Treasury in most instances, showing the application of such advances. Some agreements of this type provide for the payment of a fee, usually of a fixed amount, during the construction period as full compensation for services rendered by the company. The amounts of such fees, where applicable, are shown in the detail given below.

The other type of agreement provides that the company concerned is to be reimbursed for its disbursements on the submission to the Department of acceptable evidences of such disbursements. Usually a percentage of such claims is withheld until the acceptability of

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

the plant and/or equipment is established by a representative of the Department and until an audit of the disbursements has been made by a representative of the Comptroller of the Treasury to establish the full amount of the reimbursement to be made to the company.

Unless otherwise indicated the estimated cost is the estimated cost of the project to the Dominion Government.

Details of Expenditures

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
<i>As at March 31, 1942, the expenditures for the following projects were borne solely by the Dominion Government:—</i>			
Alberta Foundry & Machinery Co. Ltd.: 3-7" H.E. shells	155,000 00		145,562 58
Algoma Steel Corp. Ltd.: steel	17,299,000 00		507,598 55
Allied Brass Ltd. (now Canada Strip Mill Ltd.): brass; including fee of \$101,000	6,429,091 00	4,250,000 00	5,465,000 00
A.M. & T. Tool & Gauge Co.: gauges ..	2,994 00		2,994 00
Animal Trap Co. of America; armour piercing cores	39,627 00		39,627 00
Wallace Barnes Ltd.: springs	273,332 13		18,396 60
Bata Shoe Co. Ltd.: gauges	28,050 00	10,625 04	23,962 07
Robert Bell Engine & Thresher Co. Ltd.: smoke shells	60,560 28		20,114 88
John Bertram & Sons Co. Ltd.: gauges	53,024 53	3,064 44	48,224 43
machine tools	380,665 19		255,252 67
Canada Electric Castings: steel castings.	78,859 00		8,695 00
Canada Illinois Tools Ltd.: gauges	120,055 00	14,142 68	14,142 68
Canada Iron Foundries Ltd.: aircraft bombs	16,886 67		12,600 00
Canada Strip Mill Ltd.: brass; including fee of \$50,000	3,212,913 26	1,188,947 91	2,913,693 76
Canadian Acme Screw & Gear Ltd.: bomb pistols	462,518 69	164,050 49	345,547 19
armour piercing cores	15,000 00		2,962 50
Canadian Car & Foundry Co. Ltd.: gun recoil systems	603,748 00		163,532 77
Canadian Dredge & Dock Co. Ltd.: ser- vices of dredge	7,300 00	7,300 00	7,300 00
Canadian Elevator Equipment Co. Ltd.: gauges	22,172 45	1,729 80	19,490 80
mortars & spare parts	39,677 55		37,955 33
Canadian Furnace Ltd.: pig iron	350,000 00		314,385 23
Canadian Locomotive Co. Ltd.: gun mountings	91,800 00		22,796 54
Canadian National Railways: anti-sub- marine equipment	37,494 00		19,601 77
Canadian Sumner Iron Works Ltd.: hoists and gears	45,000 00		17,886 54
Chrysler Corp. of Canada Ltd.: U.P. ammunition	475,000 00		250,692 49
U.P. sights	451,635 54		122,783 13

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Corman Engineering Co. Ltd.: gauges...	26,865 63	11,352 88	11,374 63
Creighton & Smith Motors: shot	43,240 00		41,570 00
Defence Industries Ltd.:			
detonator bursters	14,571 65		14,571 65
storage facilities	215,000 00		215,000 00
propellant magazine	33,300 00		33,300 00
service lead azide	156,000 00		156,000 00
Dominion Electrohome Industries Ltd.:			
containers	45,000 00		30,239 44
Dominion Engineering Works Ltd.:			
machine tools	822,332 67	493,845 54	746,305 81
heavy machinery	400,934 53		135,428 53
gears and pinions	154,665 00		24,308 15
mountings	245,000 00		154,491 22
Dominion Foundries & Steel Ltd.: armour plate and bullet proof steel; including fee of \$6,000	1,594,658 35	459,232 52	1,229,031 23
Dominion Magnesium Ltd.: magnesium; including fee of \$14,828.62	6,000,000 00		382,004 03
Dominion Rubber Co. Ltd.: tires	398,673 74	170,218 08	247,443 49
Dominion Twist Drill Ltd.: drills	80,000 00		22,768 87
Dunlop Tire & Rubber Goods Co. Ltd.:			
machinery	197,592 01	82,211 86	160,203 65
Duplate Tool & Die Co.: gauges	38,232 00	12,692 40	36,684 63
Electric Reduction Co. of Canada Ltd.:			
phosphorous	478,253 25	455,253 25	478,253 25
Electric Steels Ltd.:			
steel castings; including fee of \$59,655..	2,375,564 93	1,168,917 05	2,354,673 15
tank track shoes	275,250 00		16,555 82
Engineering Products of Canada Ltd.:			
sights and mountings	187,340 66		6,207 02
Excello Tool & Gauge Ltd.: gauges	10,026 96		8,325 65
Ferranti Electric Ltd.: magslips; includ- ing fee of \$4,000	551,992 00		280,264 59
Firestone Tire & Rubber Co. Ltd.: tires.	215,269 91		142,229 24
Ford Motor Co. of Canada Ltd.:			
transport vehicles	2,719,632 00	1,032,537 41	2,448,498 04
universal joints	250,000 00	171,432 76	245,672 84
universal carriers	3,253,847 84	824,297 43	1,934,715 70
rezeppa joints	172,500 00		169,623 32
new style cab	250,000 00		197,001 50
scout car chassis	313,254 40		157,352 72
tires	188,889 00		188,889 00
Frost & Wood Co. Ltd.: trailers	234,296 80	2,018 27	177,972 90
General Engineering Co. (Canada) Ltd.:			
shell filling	619,500 00		495,320 42
fuses	220,000 00		194,679 58
primers	110,000 00		110,000 00
General Motors of Canada Ltd.:			
transport vehicles	1,598,859 41	1,159,593 53	1,598,859 13
Bendix-Weiss joints	159,848 21		64,213 39
tires	120,000 00		111,252 75
B. F. Goodrich Rubber Co. of Canada Ltd.: tires	77,355 61	28,309 15	36,207 12

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Goodyear Tire & Rubber Co. Ltd.: tires	833,126 41	452,115 85	616,930 26
Gutta Percha & Rubber Ltd.: tires	45,611 00	16,000 00	30,300 00
Hafer Machine Co. Ltd.: tool room equip- ment	43,415 00		32,621 98
Hall Machinery Co.: mortars and spare parts	41,000 00		31,724 96
Hamilton Bridge Co. Ltd.: test truck body and turret.....	16,122 42		16,107 42
hulls for armoured cars	509,129 59		322,529 55
Hamilton Gear & Machine Co.: gears ..	22,600 00		20,972 60
John Hay & Co.: gauges	75,410 00	21,703 57	64,999 17
anti-submarine equipment	53,808 00		39,936 19
Hayes Steel Products Ltd.: parts as a sub-contractor	434,038 23	273,503 08	346,417 80
bren gun forgings	299,560 00		148,568 12
The Hoover Co. Ltd.: vent tubes	11,412 00		135 00
Houser Machine Works: gauges	124,752 88	9,788 86	78,542 70
International Harvester Co. of Canada Ltd.: hulls for scout cars	531,030 00		166,068 39
Machine Works Ltd.: gauges	4,423 00		4,300 69
Massey-Harris Co. Ltd.: shells	136,938 00		76,595 64
mountings	609,749 50		12,811 50
John Meed & Son: loading teachers	23,000 00		20,715 80
Modern Tool Works Ltd.: machine tools	374,324 66	64,275 40	268,767 58
Montreal Locomotive Works Ltd.: tanks; including fee of \$166,500 to American Locomotive Co.	5,997,966 85	998,021 26	5,899,103 71
Mueller Ltd.: gages	40,249 30		4,875 08
MacDonald Chemicals Ltd.: smoke bombs; including fee of \$1,000.....	194,689 00		175,400 00
McDonell Metal Mfg. Co. Ltd.: precision armament work	30,000 00		12,710 44
McKinnon Industries Ltd.: transport vehicles	1,084,366 62		1,055,374 99
magslips	125,367 69		28,648 29
Northern Electric Co. Ltd.: fire control units; including fee of \$15,900	1,272,000 00		778,039 71
Northern Machine Works: gauges	41,842 00		4,436 17
Northern Tool & Gauge Ltd.: gauges	75,000 00		8,063 48
Ontario Forgings Ltd.: armour plate	1,125,000 00	19,200 00	26,682 74
Ontario Research Foundation: gauge equipment	67,197 00		30,681 43
Ottawa Gauge & Instrument Co. Ltd.: gauges	39,282 00		32,812 34
Outboard Marine & Mfg. Co. of Canada Ltd.: fire control units	24,250 00		20,771 45
Peacock Bros. Ltd.: domes and anti-submarine equipment..	85,000 00	21,291 00	83,947 81
marine auxiliary machinery	315,000 00		168,287 23

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Thos. Pocklington Co.: precision instruments	15,000 00		13,184 24
Powles Engineering Co.: gauges	6,637 50		6,637 50
Regina Industries Ltd.: gun carriages; including fee of \$10,000	4,123,312 21		1,881,206 80
Reliance Gear Works Ltd.: gear cutting equipment	30,000 00		27,260 14
Richardson Road Machinery Co. Ltd.: trailers	45,164 00	1,749 80	31,776 93
St. Catharines Steel Products Ltd.: shot.	844,300 00		589,147 36
St. Maurice Chemicals Ltd.: explosives..	1,500,000 00		730,000 00
Scott Tool & Machine Co.: gauges	40,871 00		2,795 73
Seiberling Rubber Co. of Canada Ltd.: tires	153,484 12	113,716 18	140,625 91
Service Station Equipment Ltd.: gauges.	85,368 00		24,353 23
Shaw Tool & Machine Co.: gauges	18,200 00	3,898 89	15,808 65
Shawinigan Chemicals Ltd.: explosives..	17,000 00		15,899 89
Shurley-Deitrich-Atkins Co. Ltd.: treating of steel and armour plate	682,849 00		268,765 62
T. S. Simms & Co. Ltd.: ammunition boxes	85,714 82		40,953 63
Singer Mfg. Co. Ltd.: fuses	257,146 00		53,428 94
Skinner Co. Ltd.: belt links	50,392 75		1,623 38
Sorel Industries Ltd.: guns	7,362,773 36	2,807,451 58	5,616,088 29
Standard Machine & Tool Co. Ltd.: gauges and small tools	270,530 00		90,001 65
shells	59,070 00		42,022 11
Superior Steel Corp.: bullet cups	35,000 00		26,273 70
Sutton-Horsley Ltd.: machine tools	15,500 00	12,196 00	15,245 19
Thompson Products Ltd.: armour piercing shot	715,000 00		441,044 51
United Shoe Machinery Co. of Canada Ltd.: Bren components and tools.....	11,204 05		7,237 89
Valois & Valois: gauges	93,087 50	540 00	25,473 59
Vancouver Engineering Works Ltd.: war equipment	30,072 00		15,850 68
Viceroy Mfg. Co. Ltd.: sights	31,769 48		11,215 11
Vulcan Iron Works Ltd.: treating of steel castings	15,000 00		15,000 00
Wallaceburg Brass Ltd.: gages	24,695 00		12,953 74
Western Clock Co. Ltd.: gauges	13,525 00	1,928 01	12,309 63
fuses	29,280 00		8,469 08
Whitehall Machine & Tool Co.: gauges..	49,770 00	9,894 80	47,111 23
A. C. Wickman (Canada) Ltd.: gauges..	52,879 00		3,405 05
Wright Industries Ltd.: tools and gauges	34,850 50		30,975 94
York Arsenals Ltd.: bullet cores	3,666,988 00		1,751,932 46
steel sleeves	646,250 08		9,763 57
percussion tubes	205,952 00		27,045 96
Estimated requirements of projects for which no expenditures were made	18,127,655 02		
	109,752,102 39	16,539,046 77	48,540,058 52

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
<i>As of March 31, 1942, expenditures for the following projects were to be borne jointly by the United Kingdom Government and the Dominion Government:</i>			
Alberta Nitrogen Co. Ltd.: ammonia; estimated cost, \$10,000,000 of which two-thirds is to be borne by the United Kingdom Government; total expenditures \$9,613,193.79, less \$6,493,868.82 paid by the United Kingdom Government	3,333,333 00	1,603,208 62	3,119,324 97
Border Cities Industries Ltd.: machine guns; estimated cost, \$8,640,334 of which \$4,257,667 is to be borne by the United Kingdom Government; total expenditures \$4,947,478.29 (including fee of \$114,583.34), less \$2,002,216.25 paid by the United Kingdom Government..	4,382,667 00	362,288 94	2,945,262 04
Canadian Car Munitions Ltd.: shell filling; estimated cost, \$14,066,725 of which \$12,250,000 is to be borne by the United Kingdom Government; total expenditures \$14,279,785.96 (including fee of \$413,108), less \$12,529,785.96 paid by the United Kingdom Government	1,816,725 00	1,492,267 25	1,750,000 00
Canadian Elevator Equipment Co. Ltd.: bomb throwers; estimated cost, \$235,862 of which \$53,333 is to be borne by the United Kingdom Government; total expenditures \$127,699.51, less \$12,904.15 paid by the United Kingdom Government	182,529 00		114,795 36
Canadian General Electric Co. Ltd.: gun mountings; estimated cost, \$17,115,982 for which the United Kingdom Government authority received amounts to \$2,972,849; total expenditures \$9,950,-337.11 (including fee of \$125,000), less \$3,164,606.71 paid by the United Kingdom Government	14,143,133 00	1,119,547 09	6,785,730 40
Canadian Pacific Railway Co.: tanks; estimated cost, \$3,931,062 of which \$572,000 is to be borne by the United Kingdom Government; total expenditures \$2,388,142.50, less \$572,000 paid by the United Kingdom Government	3,359,062 00	548,838 31	1,816,142 50
Canadian Westinghouse Co. Ltd.: anti-aircraft guns; estimated cost, \$11,994,312 of which \$4,113,030 is to be borne by the United Kingdom Government; total expenditures \$6,770,114.61 (including fee of \$80,000), less \$3,373,988.81 paid by the United Kingdom Government	7,881,282 00	1,624,792 83	3,396,125 80

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Defence Industries Ltd.:			
fuse powder; estimated cost \$300,000 of which seven-eighths is to be borne by the United Kingdom Government; total expenditures \$310,500.40 (including fee of \$8,700), less \$273,000.40 paid by the United Kingdom Government	37,500 00	1,875 00	37,500 00
primers and cartridges; the United Kingdom Government is bearing ten-elevenths of expenditures pending clarification of authorized costs; total expenditures, \$9,450,132.92 (including fee of \$120,000), less \$8,651,010.14 paid by the United Kingdom Government	1,867,363 00	232,326 76	799,122 78
detonators and caps; estimated cost, \$345,000 of which \$289,625 is to be borne by the United Kingdom Government; total expenditures \$328,751.87, less \$275,873.87 paid by the United Kingdom Government	55,375 00		52,878 00
shell filling; estimated cost, \$6,643,700 of which seven-eighths is to be borne by the United Kingdom Government; total expenditures \$6,845,998.40 (including fee of \$80,000), less \$6,047,873.40 paid by the United Kingdom Government	830,463 00	17,875 00	798,125 00
shell filling; estimated cost \$7,058,000 of which seven-eighths is to be borne by the United Kingdom Government; total expenditures \$7,269,440.69 (including fee of \$70,000), less \$6,437,190.69 paid by the United Kingdom Government	882,250 00	48,500 00	832,250 00
Dominion Bridge Co. Ltd.: naval guns; estimated cost, \$4,130,269 of which 63 per cent is to be borne by the United Kingdom Government; total expenditures \$3,239,003.64 (including fee of \$43,750), less \$1,208,808.44 paid by the United Kingdom Government	1,536,844 00		2,030,695 20
Dominion Engineering Works Ltd.: anti-tank guns; estimated cost, \$10,785,434 of which \$3,326,630 is to be borne by the United Kingdom Government; total expenditures \$7,395,774.18 (including fee of \$125,000), less \$3,256,851.41 paid by the United Kingdom Government	7,458,804 00	1,350,360 22	4,138,922 77
Dominion Foundries & Steel Ltd.: barrel forgings; estimated cost \$1,370,405 of which \$497,202 is to be borne by the United Kingdom Government; total expenditures \$1,320,655.36, less \$450,327.68 paid by the United Kingdom Government	873,203 00	203,000 00	870,327 68

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Electric Reduction Co. of Canada Ltd.: phosphorous; estimated cost \$200,000 of which seven-eighths is to be borne by the United Kingdom Government; total expenditures \$196,323.67 less \$172,741.59 paid by the United Kingdom Govern- ment	25,000 00		23,582 08
General Engineering Co. (Canada) Ltd.: shell filling; estimated cost, \$4,465,000 of which seven-eighths is to be borne by the United Kingdom Government; total expenditures \$4,589,179.58 (includ- ing fee of \$50,000), less \$3,906,875 paid by the United Kingdom Government	558,125 00	39,802 73	682,304 58
John Inglis Co. Ltd.: machine guns and anti-tank rifles; estimated cost, \$22,104,- 383 of which United Kingdom Govern- ment authority received amounts to \$8,537,842; total expenditures, \$20,072,- 726.05 (including fee of \$190,000), less \$8,537,842 paid by the United King- dom Government	13,566,541 00	3,751,895 96	11,534,884 05
Robert Mitchell Co. Ltd.: cartridge cases; estimated cost, \$1,206,759 of which \$300,000 is to be borne by the United Kingdom Government; total expenditures	906,759 00		527,098 71
Otis-Fensom Elevator Co. Ltd.: anti-air- craft guns; estimated cost, \$10,961,848 of which \$7,452,436 is to be borne by the United Kingdom Government; total expenditures \$10,200,772.15 (including fee of \$100,000), less \$7,452,436 paid by the United Kingdom Government....	3,509,412 00	1,039,623 11	2,748,336 15
Reliance Gear Works Ltd.: fire control units; estimated cost, \$61,094 of which \$40,000 is to be borne by the United Kingdom Government; total expendi- tures \$46,638.21, less \$25,544.43 paid by the United Kingdom Government	21,094 00		21,093 78
Sorel Industries Ltd.: naval guns; esti- mated cost, \$4,320,000 of which \$3,231,- 136 is to be borne by the United King- dom Government; total expenditures \$3,534,049.93, less \$2,696,041.73 paid by the United Kingdom Government	1,088,864 00		838,008 20
Trenton Steel Works Ltd.: forgings; estimated cost, \$664,735 of which one- half is to be borne by the United Kingdom Government; total expendi- tures \$405,214.66, less \$196,535.39 paid by the United Kingdom Government..	332,368 00	9,103 32	208,679 27

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Vivian Engine Works Ltd.: gun sights; estimated cost, \$229,917 of which \$163,890 is to be borne by the United Kingdom Government; total expenditures \$147,372.91, less \$117,372.91 paid by the United Kingdom Government	66,027 00		30,000 00
York Arsenals Ltd.: shells; estimated cost, \$2,634,297 of which six-sevenths is to be borne by the United Kingdom Government; total expenditures \$801,742.11, less \$560,097.50 paid by the United Kingdom Government	376,328,00		241,644 61
fuses; estimated cost, \$431,060 of which six-sevenths is to be borne by the United Kingdom Government; total expenditures	61,580 00		54,797 14
	69,152,631 00	13,445,305 14	46,397,631 07
<i>Expenditures for the following projects were being borne temporarily by the Dominion Government pending authorization from the United Kingdom Government:</i>			
Defence Industries Ltd.: ammunition....	3,794,000 00		166 81
Ottawa Car & Aircraft Ltd.: machine guns	560,680 00		141,610 00
Weland Chemical Works: acids; (including payment of \$200,750 to Chemical Construction Corp.)	1,206,350 00		793,230 00
	5,561,030 00		935,006 81
<i>Expenditures for the following projects were made to enable companies to fill orders placed on behalf of the United States Government through War Supplies Ltd.:</i>			
Babcock-Wilcox & Goldie-McCulloch Ltd.: shells	42,358 00		2,145 45
Bata Shoe Co. Ltd.: primers	179,289 00		49,840 75
Defence Industries Ltd.: shell filling	747,000 00		747,000 00
Dominion Bridge Co. Ltd.: shells	85,132 00		14,060 52
Holman Machines Ltd.: smoke shells ..	270,822 87		194,059 82
Moffats Ltd.: ammunition boxes	149,720 00		28,607 99
St. Catharines Steel Products Ltd.: shot	448,578 33		444 25
Waterous Ltd.: shells	108,449 08		87,520 09
Weatherhead Co. of Canada Ltd.: primers	43,423 69		32,335 92
Estimated requirements of projects for which no expenditures were made.....	260,100 50		
	2,334,873 47		1,156,014 79
	<u>\$186,800,636 86</u>	<u>\$ 29,984,351 91</u>	<u>\$ 97,028,711 19</u>

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

The report for the fiscal year 1940-41 showed details of expenditures for these projects in the amount of \$46,232,526.87, which has been reduced by \$16,248,174.96 to the amount shown above through recoveries of some of such expenditures and adjustments made necessary in view of subsequent information which has been received. The details of such recoveries and adjustments are as follows:

	<u>Recoveries and Sales</u>	<u>Other Adjustments</u>	<u>Total Deductions</u>
<i>Projects, the expenditures for which were being borne by the Dominion Govern- ment:—</i>			
John Bertram & Sons Co. Ltd.: machine tools	950,323 12		950,323 12
Canadian Acme Screw & Gear Ltd.: bomb pistols	196 59		196 59
Canadian Elevator Equipment Co. Ltd.: mortars		1,322 45	1,322 45
Corman Engineering Co. Ltd.: gauges....	569 37		569 37
Defence Industries Ltd.: carbamite.....	189,000 00		189,000 00
Dominion Engineering Works Ltd.: machine tools	94 18		94 18
Dominion Foundries & Steel Ltd.: armour plate	311,341 65		311,341 65
Electric Steels Ltd.: bomb castings	3 82	181 25	185 07
Ford Motor Co. of Canada Ltd.: univer- sal carriers		15 50	15 50
John Hay & Co. Ltd.: gauges	110 00		110 00
Montreal Locomotive Works Ltd.: tanks	1,907 34	125 81	2,033 15
Shawinigan Chemicals Ltd.: monoethy- laniline	70,000 00		70,000 00
Sorel Industries Ltd.: guns	1,381 05		1,381 05
(transferred to Munitions Production Allotment Fund)		2,639,192 42	2,639,192 42
<i>Projects, the expenditures for which were being borne jointly by the United Kingdom Government and the Domi- nion Government:—</i>			
Alberta Nitrogen Co. Ltd.: ammonia ..	18,797 48		18,797 48
Border Cities Industries Ltd.: machine guns	403,692.52		403,692 52
Canadian General Electric Co. Ltd.: gun mountings	1,137,510.08	6,084 90	1,143,594 98
Canadian Pacific Railway Co.: tanks ..	274,430 69	6 38	274,437 07
Canadian Westinghouse Co. Ltd.: anti- aircraft guns	91,788 12	29 37	91,817 49
Chemical Construction Corp.: nitro- guanidine	2,016,830 00		2,016,830 00
Dominion Engineering Works Ltd.: anti- tank guns	2,090,615 66		2,090,615 66
John Inglis Co. Ltd.: machine guns and anti-tank rifles	1,896,947 19		1,896,947 19
Otis-Fensom Elevator Co. Ltd.: anti- aircraft guns	3,164,259 61		3,164,259 61
Trenton Steel Works Ltd.: forgings	9,103 32		9,103 32

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Recoveries and Sales	Other Adjustments	Total Deductions
<i>Advances, made in 1940-41, which are to be recovered in due course and which have been transferred for that reason to Open Account:—</i>			
John Bertram & Sons Co. Ltd.: gauges..	20,055.25		20,055 25
English Electric Co. of Canada, Ltd.: electrical equipment	185,500 00		185,500 00
Steel Co. of Canada, Ltd.: ingot steel ..	865,593 47		865,593 47
Total Deductions	<u>\$ 13,700,050 51</u>	<u>\$ 2,646,958 08</u>	<u>\$ 16,347,008 59</u>

Additions to Expenditures

Projects, the expenditures for which were being borne by the Dominion Government:—

Canadian Acme Screw & Gear Ltd.: bomb pistols	2,715 28
Canadian Elevator Equipment Co. Ltd.: gauges	1,322 45
Dominion Engineering Works Ltd.: machine tools	22,426 85
Frost & Wood Co. Ltd.: trailers	37 80
Modern Tool Works Ltd.: machine tools	19,764 90

Projects, the expenditures for which were being borne jointly by the United Kingdom Government and the Dominion Government:—

Dominion Engineering Works Ltd.: anti- tank guns	20,378 89
John Inglis Co. Ltd.: machine guns and anti-tank rifles	32,142 39
Otis-Fensom Elevator Co. Ltd.: anti- aircraft guns	45 07
Total Additions	<u>98,833 63</u>
Net Deductions	<u>\$ 16,248,174 96</u>

Comments on Expenditures

Included in the above expenditures to March 31, 1942, are amounts totalling \$51,273,406.85, representing payments reported by Citadel Merchandising Co. Ltd. (a government-owned company), as being made in connection with orders for machinery and tools for the various projects, a large part of these payments being advances in respect of tools and machinery not yet delivered to the projects concerned as at March 31, 1942. The payments by projects were as follows:

Projects for which the expenditures were being borne by the Dominion Government:
Alberta Foundry & Machine Co. Ltd., \$114,481.83; A.M. & T. Tool & Gauge Co., \$2,994;
Wallace Barnes Co. Ltd., \$18,396.60; Bata Shoe Co. Ltd., \$16,287.38; Robert Bell Engine &
Thresher Co. Ltd., \$16,866.07; John Bertram & Sons Co. Ltd., gauges, \$5,868.73; small tools,
\$255,252.67; Canada Illinois Tools Ltd., \$14,142.68; Canada Iron Foundries Ltd., \$12,600;

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

Canadian Acme Screw & Gear Ltd., bomb pistols, \$289,175.04; armour piercing cores, \$2,962.50; Canadian Car & Foundry Co. Ltd., \$163,532.77; Canadian Elevator Equipment Co. Ltd., gauges, \$19,490.80; 2" mortars and spare parts, \$36,535.17; Canadian Locomotive Co. Ltd., gun mountings, \$22,796.54; Canadian Sumner Iron Works Ltd., \$17,886.54; Chrysler Corp. of Canada Ltd., 2" U.P. ammunition, \$230,507.14; 2" U.P. sights, \$116,220.51; Corman Engineering Co. Ltd., \$11,374.63; Creighton & Smith Motors, \$31,464.50; Dominion Electrohome Industries Ltd., \$30,239.44; Dominion Engineering Works, Ltd., machine tools, \$608,414.81; heavy machinery, \$135,428.53; gears and pinions, \$24,308.15; Dominion Twist Drill, Ltd., \$59,846.12; Duplate Tool & Die Co., \$36,684.63; Electric Steels Ltd., steel castings, \$621,394.25; Engineering Products of Canada Ltd., \$6,207.02; Excello Tool & Gauge Ltd., \$8,325.65; Ferranti Electric Ltd., \$110,612.50; Ford Motor Co. of Canada Ltd., transport vehicles, \$46,303.44; universal carriers, \$41,792.25; Frost & Wood Co. Ltd., \$57,972.90; Hafer Machine Co. Ltd., \$32,621.98; Hall Machinery Co., \$25,224.96; Hamilton Bridge Co. Ltd., \$102,830.30; Hamilton Gear & Machine Co., \$20,824.62; John Hay & Co., gauges, \$62,869.50; anti-submarine equipment, \$37,824.33; Hayes Steel Products Ltd., \$148,568.12; The Hoover Co. Ltd., \$135; Houser Machine Works, \$78,542.70; International Harvester Co. of Canada Ltd., \$166,068.39; Machine Works Ltd., \$4,300.69; Massey-Harris Co. Ltd., shells, \$76,595.64; mountings, \$12,811.50; John Meed & Son, loading teachers, \$18,029.35; Modern Tool Works Ltd., \$268,767.58; Montreal Locomotive Works Ltd., \$2,820,504.88; Mueller Ltd., \$4,875.08; McDonell Metal Mfg. Co. Ltd., \$9,473.52; McKinnon Industries Ltd., transport vehicles, \$625,100.97; magslips, \$13,580.20; Northern Electric Co. Ltd., \$569,504.71; Northern Machine Works, \$4,436.17; Northern Tool & Gauge Ltd., \$8,063.48; Ontario Research Foundation, \$30,681.43; Ottawa Gauge & Instrument Co. Ltd., \$32,812.34; Outboard Marine & Mfg. Co. of Canada Ltd., \$20,617.98; Peacock Brothers Ltd., anti-submarine equipment, \$83,947.81; marine auxiliary machinery, \$168,287.23; Thos. Pocklington Co., \$12,279.48; Powles Engineering Co., \$6,637.50; Regina Industries Ltd., \$681,527.80; Richardson Road Machinery Co. Ltd., \$18,626.44; St. Catharines Steel Products Ltd., \$331,147.36; Scott Tool & Machine Co., \$2,795.73; Service Station Equipment Ltd., \$24,353.23; Shaw Tool & Machine Co., \$15,808.65; T. S. Simms & Co. Ltd., \$40,953.63; Singer Manufacturing Co. Ltd., \$53,428.94; Skinner Co. Ltd., \$1,623.38; Sorel Industries Ltd., \$2,169,632.99; Standard Machine & Tool Co. Ltd., gauges and small tools, \$90,001.65; shells, \$42,022.11; Thompson Products Ltd., \$441,044.51; United Shoe Machinery Co. of Canada Ltd., \$7,237.89; Valois & Valois, \$25,473.59; Vancouver Engineering Works Ltd., \$15,850.68; Viceroy Mfg. Co. Ltd., \$11,215.11; Wallaceburg Brass Ltd., \$12,953.74; Western Clock Co., Ltd., gauges, \$12,061.90; fuses, \$8,469.08; Whitehall Machine & Tool Co., \$47,111.23; A. C. Wickman (Canada) Ltd., \$3,405.05; Wright Industries Ltd., \$30,975.94; York Arsenals Ltd., bullet cores, \$1,122,379.59; steel sleeves, \$9,763.57; percussion tubes, \$27,045.96.

Projects for which the expenditures were being borne jointly by the United Kingdom Government and the Dominion Government: Border Cities Industries Ltd., \$3,380,009.78; Canadian Elevator Equipment Co. Ltd., \$102,138.17; Canadian General Electric Co. Ltd., \$5,536.694; Canadian Pacific Railway Co., \$845,990.77; Canadian Westinghouse Co. Ltd., \$3,397,513.07; Dominion Bridge Co. Ltd., \$1,448,840.52; Dominion Engineering Works Ltd., \$4,631,623.58; John Inglis Co. Ltd., \$10,465,726.05; Robert Mitchell Co. Ltd., \$527,098.71; Otis-Fensom Elevator Co. Ltd., \$5,625,772.15; Trenton Steel Works Ltd., \$182,520.56; York Arsenals Ltd., shells, \$801,742.11; fuses, \$54,797.14.

Projects for which the expenditures were being borne temporarily by the Dominion Government: Defence Industries Ltd., \$166.81.

Projects for which the expenditures were being made to enable companies to fill orders placed through War Supplies Ltd.: Babcock-Wilcox & Goldie-McCulloch Ltd., \$2,145.45; Bata Shoe Co. Ltd., \$48,453.88; Dominion Bridge Co. Ltd., \$14,060.52; Holman Machines Ltd., \$167,670.85; Moffats Ltd., \$28,607.99; St. Catharines Steel Products Ltd., \$444.25; Waterous Ltd., \$78,961.59; Weatherhead Co. of Canada Ltd., \$32,335.92.

Departmental records, which reflect these payments by Citadel Merchandising Co. Ltd., were not brought into line with the corresponding records of Citadel Merchandising Co. Ltd., as at March 31, 1942. Previous comparisons have resulted in numerous adjustments in Departmental records. Consequently, the amounts detailed above with regard to the respective companies are not considered to be final.

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

Audit Notes

Electric Steels Ltd. was authorized as two projects, to provide facilities for the manufacture of bomb castings and steel castings respectively. The expenditures authorized by various Orders in Council with respect to the former amount to \$1,558,027.65, whereas ascertainable expenditures in connection therewith at March 31, 1942, amounted to \$1,569,545.65. Treasury Board approvals to cover the estimated requirements of the project total \$1,590,000. In accounting for advances received, the company combines the expenditures made for the two projects as has been done in this report.

The expenditures in connection with the Dominion Bridge Co. Ltd. project for naval guns exceed the amount authorized to be borne by the Dominion Government. This is due to the fact that the usual monthly settlement of accounts between the United Kingdom and Dominion Governments was not made at March 31, 1942. The settlement made between the two Governments as at April 30, 1942, resulted in a recovery by the Dominion Government which exceeded the amount by which the expenditures borne by the Dominion Government to March 31, 1942, exceeded the authority therefor as reported above.

General Engineering Co. (Canada) Ltd. has been advanced funds for the shell filling project, the costs of which are being borne jointly by the United Kingdom and Dominion Governments, to an amount which exceeds the expenditures authorized by Orders in Council and approved by Treasury Board, by \$124,179.58. Pending clarification of this situation, the amount advanced by the Department to the company for the project, the costs of which are being borne solely by the Dominion Government, have been limited. As a result, the advances to the company at March 31, 1942, for the latter project is less than the authorized expenditures by the same amount, namely \$124,179.58.

Expenditures for the project of John Bertram & Sons Co. Ltd. to provide facilities for the production of machine tools, which has been transferred to Open Account, were authorized by P.C. 4832, Sept. 17, 1940, in the amount of \$1,220,000. Payments made by the Department to March 31, 1942, amounted to \$1,261,723.41. During the year under review, the company repaid the sum of \$950,000 with the result that at no time during the year did the net expenditures exceed the amount authorized.

AIR

Purpose for which allotment was provided

Expenditures for purchase of land, construction of buildings, and purchase and installation of machinery and equipment required to provide overhaul depots for aircraft which are to be operated by the companies as detailed, under the British Commonwealth Air Training Plan and Home War Defence establishments and/or to provide facilities for the production of aircraft parts and assembly of aircraft as indicated.

Details of Expenditures

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Aircraft Repair Ltd. (formerly McKenzie Air Service Ltd.):			
engine test stands; machinery and equipment, Aircraft Repair Ltd.	35,000 00		33,850 00
overhaul depot; construction, Dominion Bridge Co. Ltd., \$83,757.82, Canadian National Railways, \$7,724.24, City of Edmonton, \$35,832.72, Frost Steel & Wire Co. Ltd., \$5,188.50, H. G. MacDonald & Co. Ltd., \$853,931.10 (including fee of \$12,000), Standard Iron Works, \$9,478.50, miscellaneous, \$3,472; machinery and equipment, Aircraft Repair Ltd., \$114,745.70, Citadel Merchandising Co. Ltd., \$98,313.15, miscellaneous, \$1,161.84; professional services and expenses, Allward & Guinlock Ltd., \$25,684.33, G. H. MacDonald, \$9,257.35, miscellaneous, \$166.05; purchase of land, \$200..	1,727,599 44	374,943 86	1,248,913 30

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Bloctube Control of Canada Ltd.: control boxes; machinery and equipment, Citadel Merchandising Co. Ltd.	30,000 00	2,478 80	29,276 55
Boeing Aircraft of Canada Ltd.: aircraft parts; machinery and equipment, Boeing Aircraft of Canada Ltd., \$235,452.33; rental of property, Canadian National Railways, \$2,250	250,000 00	170,595 54	237,702 33
assembly and overhaul of flying boats; construction, Carter-Halls-Aldinger Co. Ltd., \$1,735,697.11; machinery and equipment, Boeing Aircraft of Canada Ltd., \$943,509, Citadel Merchandising Co. Ltd., \$375,163.65 miscellaneous, \$3,243.72	4,675,599 38	1,078,436 92	3,057,613 48
British Aeroplane Engines Ltd.: overhaul depot; machinery and equipment, British Aeroplane Engines Ltd., \$9,611.78, Canadian Car & Foundry Co. Ltd., \$12,105.13, Citadel Merchandising Co. Ltd., \$5,416.79, miscellaneous, \$5,819.03	71,500 00	18,295 86	32,952 73
Canadian Airways Ltd.: overhaul depot; construction, Page Equipment & Construction Co. Ltd., \$54,222.50, less holdback, \$5,422.45; machinery and equipment, Citadel Merchandising Co. Ltd., \$698.26	150,000 00		49,498 31
Canadian Car & Foundry Co. Ltd.: gun turrets and spare parts; construction, Foundation Co. of Canada Ltd., \$70,482, less holdback, \$7,048.20; machinery and equipment, Citadel Merchandising Co. Ltd., \$7,647.06; professional services, Spence, Mathias & Burge, \$3,000	112,500 00		74,080 86
ferrules for propellers; machinery and equipment, Canadian Car & Foundry Co. Ltd., \$28,420.31, Citadel Merchandising Co. Ltd., \$20,837.13	50,000 00		49,257 44
dive bombers; machinery and equipment, Citadel Merchandising Co. Ltd.	680,000 00		1,614 71
overhaul depot; construction, W. E. Baxter, \$9,250, less holdback, \$925, M. A. Condon & Son, \$126,283, Dept. of Transport, \$48,824.97, Grinnell & Co. Canada Ltd., \$20,200, less holdback, \$3,030, Rhodes, Curry Ltd., \$241,948.32, less holdback, \$22,170.76, miscellaneous, \$2,282.03; machinery and equipment, Canadian Car & Foundry Co. Ltd., \$468,615.39, Citadel Merchandising Co. Ltd., \$81,878.21; professional services, Rhodes, Curry Ltd., \$6,854.39, S. St. J. Wilson, \$10,434.43, miscellaneous, \$363.40	1,328,200 00	130,490 07	990,808 38
Canadian Pratt & Whitney Aircraft Co. Ltd.: engine overhaul depot; construction, Canadian Pratt & Whitney Aircraft Co. Ltd., \$40,948.37, Sutherland Construction Co., \$29,419, less holdback, \$3,842, miscellaneous, \$140; machinery and equipment, Canadian Pratt & Whitney Aircraft Co. Ltd., \$49,985.20; professional services, E. J. Turcotte, \$1,420.95	199,043 00		118,071 52

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
propeller manufacture; construction, Canadian Pratt & Whitney Aircraft Co. Ltd., \$452,659.88, Canadian Sirocco Co. Ltd., \$5,592.80, Collett Freres Ltd., \$354,911.03, Dominion Bridge Co. Ltd., \$88,841.37, English Electric Co. of Canada Ltd., \$7,065, The Garth Co. Ltd., \$17,945, less holdback, \$1,795, W. H. Madigan, \$8,985, P. McCuaig Ltd., \$72,500, less holdback, \$7,250, Northern Electric Co. Ltd., \$10,230, James W. Ross, \$61,741.40, Worcester-Rockwood Ltd., \$21,235.50, miscellaneous, \$25,348.01; machinery and equipment, Canadian Ingersoll-Rand Co. Ltd., \$5,317.20, less holdback, \$703.95, Citadel Merchandising Co. Ltd., \$1,339,061.95	3,270,416 94	187,306 35	2,461,685 19
propeller overhaul; construction, A. F. Byers Ltd., \$53,989.87, Sutherland Construction Co. Ltd., \$7,149; machinery and equipment, Canadian Pratt & Whitney Aircraft Co. Ltd., \$81,159.50; professional services, miscellaneous, \$178.72	159,500 00	78,205 19	142,477 09
Canadian Vickers Ltd.: manufacture and assembly plant; construction, Canadian Vickers Ltd., \$10,362, J. W. Ross, \$198,246; machinery and equipment, Citadel Merchandising Co. Ltd., \$44,714.54, miscellaneous, \$19.87	306,877 67	214,831 25	253,342 41
Bolingbroke shock legs; machinery and equipment, Citadel Merchandising Co. Ltd.	93,032 57	57,467 59	93,032 57
Oleo shock legs; machinery and equipment, Citadel Merchandising Co. Ltd.	275,000 00		69,049 83
manufacture of flying boats; machinery and equipment, Citadel Merchandising Co. Ltd.	875,000 00		9,650 14
Chrysler Corp. of Canada Ltd.: aeroplane engines; construction, Chrysler Corp. of Canada Ltd.	10,000,000 00		70,800 00
Clark-Ruse Aircraft Ltd.: overhaul depot; construction, Acadia Const. Co. Ltd., \$71,383.27, Clark-Ruse Aircraft Ltd., \$12,278.97, Foundation Maritime Ltd., \$563,561.99, T. C. Gorman Ltd., \$60,601.32, Richards-Wilcox Canada Ltd., \$38,835, Robb Engineering Ltd., \$107,776.13, miscellaneous, \$15,230.49; machinery and equipment, Citadel Merchandising Co. Ltd., \$115,241.29, Clark-Ruse Aircraft Ltd., \$38,183.04, Fairchild Aircraft Ltd., \$7,416.88, Lockheed Aircraft Corp., \$8,092.58, miscellaneous, \$8,200.33; professional services, Ross & MacDonald Inc., \$35,714.95, miscellaneous, \$675.81	1,610,000 00	74,816 87	1,083,192 05
Coates Ltd.: overhaul depot; construction, Carter-Halls-Aldinger Co. Ltd., \$26,970.93; machinery and equipment, Citadel Merchandising Co. Ltd., \$9,785.56, Coates Ltd., \$5,529.59	70,500 00		42,286 08

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Cockshutt Plow Co. Ltd.: assembly of aircraft; machinery and equipment, Cockshutt Plow Co. Ltd.	92,100 00	45,084 68	72,997 14
The de Havilland Aircraft of Canada Ltd.: air- craft assembly and overhaul; construction, G. C. Abbott Ltd., \$102,281.50, less hold- back, \$1,092.65, The de Havilland Aircraft of Canada Ltd., \$19,791.19, Dominion Bridge Co. Ltd., \$254,097.50, Lundy Fence Co. Ltd., \$12,837.27, B. J. Miller & Co. Ltd., \$118,750, Ontario Electrical Const. Co. Ltd., \$89,885, G. W. Porter Const. Co. Ltd., \$119,333.87, A. W. Robertson Ltd., \$1,346,- 384.71, Waterous Ltd., \$21,572, miscellane- ous, \$3,490.25; machinery and equipment, Citadel Merchandising Co. Ltd., \$40,034.17, The de Havilland Aircraft of Canada Ltd., \$922,350.63; professional services, David Sheppard, \$52,365.39; sundries, \$725.10	3,678,000 00	1,145,814 42	3,102,805 93
Dunlop Tire & Rubber Goods Co. Ltd.: gun firing equipment; machinery and equip- ment, Dunlop Tire and Rubber Goods Co. Ltd.	100,000 00	11,998 88	76,948 75
Fairchild Aircraft Ltd.: Bolingbroke aircraft; construction, Automatic Sprinkler Co. Ltd., \$7,853.40, less holdback, \$1,176.40, Central Bridge Co. Ltd., \$7,750, Cook & Leitch, \$24,754, Deakin & Stewart, \$78,932, A. G. Fairbanks Electric Ltd., \$9,180.46, Fairchild Aircraft Ltd., \$34,686.99, J. S. Hewson, \$23,684.71, Raymond Mc- Donell Co. Ltd., \$108,919.09, Sutherland Const. Co., \$373,335.97, John Tweddle Ltd., \$15,931, miscellaneous, \$5,403.29; machinery and equipment, Citadel Merchandising Co. Ltd., \$489,489.77, Fairchild Aircraft Ltd., \$680,158.50; professional services and ex- penses, T. Pringle & Son Ltd., \$18,951.86, miscellaneous, \$5,165.27; purchase of land, \$2,001	2,600,899 69	826,993 54	1,885,020 91
Fleet Aircraft Ltd.: overhaul depot; construction, Bennett & Wright, Ltd., \$208,323.02, less holdback, \$20,832.30, Canadian Comstock Ltd., \$80,- 500, less holdback, \$8,500, Dept. of Transport, \$37,652.06, Frontenac Const. Co. Ltd., \$395,478.25, less holdback, \$39,547.82, International Water Supply Ltd., \$5,348.50, Sarnia Bridge Co. Ltd., \$176,772.01; mach- inery and equipment, Citadel Merchandising Co. Ltd., \$191,733.94, Fleet Aircraft Ltd., \$278,362.14; professional services, Chapman & Oxley, \$35,227.80; sundries, \$2,500.....	2,034,533 85	48,343 23	1,343,017 60

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
assembly and overhaul; construction, Brennan Paving Co. Ltd., \$54,365.16, Redfern Const. Co. Ltd., \$287,063.22, miscellaneous, \$3,160.60; machinery and equipment, Citadel Merchandising Co. Ltd., \$243,924.48, Fairchild Engine & Aeroplane Corp., \$88,113.51, Fleet Aircraft Ltd., \$34,930.19, miscellaneous, \$903.96; professional services, Allward & Gouinlock, \$13,392.77, miscellaneous, \$157.50	1,224,586 30	377,741 92	726,011 39
Massey-Harris Co. Ltd.:			
Mosquito wings; construction, Massey-Harris Co. Ltd.	445,000 00		122,567 38
manufacture and storage of parts; machinery and equipment, Massey-Harris Co. Ltd....	334,400 00	173,402 21	192,860 91
Mayson & Campbell Aviation Ltd.: overhaul depot; construction, Graham & Clunie, \$16,669.41, Hett & Sibbald Ltd., \$5,250.38, National Contracting & Supply Co. Ltd., \$49,158.39, miscellaneous, \$7,813.42; machinery and equipment, Citadel Merchandising Co. Ltd., \$14,009.56, miscellaneous, \$4,021.71; sundries, \$3,798.39	159,600 00	61,112 18	100,721 26
Mid-West Aircraft Ltd.: overhaul depot; construction, Fraser-MacDonald & Co. Ltd., \$88,416, less holdback, \$8,841.60; machinery and equipment, Citadel Merchandising Co. Ltd., \$6,032.62, miscellaneous, \$859.50; professional services, Northwood & Chivers, \$2,500	154,100 00		88,966 52
MacDonald Bros. Aircraft Ltd.:			
overhaul depot; construction, Carter-Halls-Aldinger Co. Ltd., \$454,684.67, Dept. of Transport, \$5,921.42, Dominion Bridge Co. Ltd., \$137,050.27, N. J. Dinnen Agencies Ltd., \$7,737.44, Thos. Jackson & Sons Ltd., \$8,070, Smith & Hansen, \$20,036.97, Vulcan Iron Works Ltd., \$31,292, miscellaneous, \$6,084.32; machinery and equipment, Citadel Merchandising Co. Ltd., \$29,061.32, MacDonald Bros. Aircraft Ltd., \$19,865.46, miscellaneous, \$2,288.46; professional services, David Sheppard, \$29,402.09, miscellaneous, \$1,750; purchase of land, \$6,000..	946,115 34	532,051 07	759,244 42
production of parts; machinery and equipment, Citadel Merchandising Co. Ltd., \$991.37, MacDonald Bros. Aircraft Ltd., \$95,994.59	239,675 33	95,994 59	96,985 96
storage of parts; construction, Bird Const. Co. Ltd., \$35,486.75, Cotter Bros. Ltd., \$7,018.20, less holdback, \$701.82, Dominion Bridge Co. Ltd., \$16,235, Schumacher-MacKenzie Ltd., \$5,574; professional services, Northwood & Chivers, \$2,000.....	75,000 00		65,612 13

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
winter conversion parts; construction, Couture & Toupin, \$42,213.84, less holdback, \$6,141.37, MacDonald Bros. Aircraft Ltd., \$72,496.98; machinery and equipment, Citadel Merchandising Co. Ltd., \$17,390.10; professional services, Northwood & Chivers Ltd., \$1,900	158,051 33	45,379 17	127,859 55
National Steel Car Corp. Ltd.:			
Anson assemblies; machinery and equipment, National Steel Car Corp. Ltd.	365,000 00		287,772 05
Martin bombers; machinery and equipment, Citadel Merchandising Co. Ltd., \$33,974.57, National Steel Car Corp. Ltd., \$390,442.71..	4,000,000 00		424,417 28
Noorduyn Aviation Ltd.: aircraft; construction, Canadian Comstock Co. Ltd., \$118,673.34, less holdback, \$11,867.33, Central Bridge Co. Ltd., \$218,946.89, Cook & Leitch, \$39,860, less holdback, \$3,986, Dept. of Transport, \$100,468.88, C. J. Dryden Co. Ltd., \$6,660.60, The Garth Co., \$50,000, less holdback, \$5,000, L. E. Moulton Co. Ltd., \$33,000, less holdback, \$3,300, Noorduyn Aviation Ltd., \$8,648.45, Thos. O'Connell Ltd., \$151,507.39, less holdback, \$15,150.73, J. L. E. Price & Co. Ltd., \$476,074.82, (including fee of \$15,039.71), Richard & E. J. Ryan Ltd., \$579,743.65, less holdback, \$22,757.10, H. G. Vogel & Son Ltd., \$52,200, less holdback, \$5,220, miscellaneous, \$11,520.23; machinery and equipment, Citadel Merchandising Co. Ltd., \$281,448.06, Noorduyn Aviation Ltd., \$93,238.29, miscellaneous, \$931.39; professional services, L. A. Amos, \$39,027.36, miscellaneous, \$3,391.52; purchase of land, Quinlan Cut Stone Ltd., \$155,000; sundries, \$74.....	3,189,609 99	693,878 99	2,353,133 71
Ottawa Car & Aircraft Ltd.: assembly of aircraft; construction, G. A. Crain & Sons, \$7,141.50; machinery and equipment, Ottawa Car & Aircraft Ltd., \$381,463.01.....	646,600 00	375,280 60	388,604 51
Prairie Airways Ltd.: overhaul depot; construction, Carter-Halls-Aldinger Co. Ltd., \$279,757.14, less holdback, \$12,232; machinery and equipment, Prairie Airways Ltd., \$17,371.66	419,000 00		284,896 80
Geo. W. Reed & Co. Ltd.: overhaul depot; machinery and equipment, Citadel Merchandising Co. Ltd.	10,700 00		4,259 19
Reliance Aircraft & Tool Co. Ltd.: dies and forgings; machinery and equipment, Citadel Merchandising Co. Ltd.	52,400 00		51,978 92
Singer Manufacturing Co. Ltd.: air-screw blades; machinery and equipment, Citadel Merchandising Co. Ltd., \$73,379.92, Singer Manufacturing Co. Ltd., \$305,067.36.....	580,000 00		378,447 28

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
S. & S. Aircraft Ltd.: wooden propellers; construction, S. & S. Aircraft Ltd., \$71,540.56; machinery and equipment, Citadel Merchandising Co. Ltd., \$4,774.48	150,000 00		76,315 04
Stanley Precision Instruments Ltd.: indicators and altimeters; machinery and equipment, Citadel Merchandising Co. Ltd.....	100,000 00		2,594 26
J. A. Taylor Tool Co. Ltd.: taps; machinery and equipment, Citadel Merchandising Co. Ltd.	9,935 00		9,537 20
Tooling Costs: for production of aircraft and aircraft parts; Amalgamated Electric Corp. Ltd., \$24,799.31; Arrow-Hart-Hagerman Ltd., \$13,617.61, Canadian General Electric Co. Ltd., \$47,861.04, Canadian Marconi Co. Ltd., \$6,978.89, Canadian Westinghouse Co. Ltd., \$211,862.04, Citadel Merchandising Co. Ltd., \$5,921.23, Cockshutt Plow Co. Ltd., \$36,732.33, Dominion Electric Protection Co., \$14,406.04, Exide Batteries Ltd., \$11,130.46, Renfrew Electric & Refrigerator Co. Ltd., \$50,151.50, Smith & Stone Ltd., \$14,224.84, sundry suppliers, \$28,211.33	1,191,374 81		465,896 62
Trans-Canada Airlines Ltd.: engine overhaul and test house; construction, Baldry Engineering & Const. Co. Ltd., \$11,078.23, Bird Construction Co. Ltd., \$102,700, less holdback \$10,270, Dominion Bridge Co. Ltd., \$17,700, less holdback, \$1,770, miscellaneous, \$1,044; professional services, miscellaneous, \$264	305,000 00		120,746 23
overhaul depot; machinery and equipment, Trans-Canada Airlines Ltd., \$11,929.55, miscellaneous, \$362.96	27,500 00	879 74	12,292 51
United Shoe Machinery Co. Ltd.: tools and gauges; machinery and equipment, Citadel Merchandising Co. Ltd.	112,000 00		87,830 11
Vancouver Engine Overhaul Depot: engine overhaul; construction, Carter-Halls-Aldinger Co. Ltd.	290,000 00		138,321 30
Weatherhead Co. of Canada Ltd.: aircraft fittings; machinery and equipment, Citadel Merchandising Co. Ltd.	185,000 00		19,886 50
White Canadian Aircraft Ltd.: nacelles; machinery and equipment, White Canadian Aircraft Ltd.	40,000 00		18,757 01

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Winnipeg Engine Overhaul Depot: aircraft overhaul; construction, Baldry Engineering & Const. Co. Ltd., \$6,775, Carter-Halls-Aldinger Co. Ltd., \$261,133.44, miscellaneous, \$8,212.52; machinery and equipment, Canadian Airways Ltd., \$10,677.10, Citadel Merchandising Co. Ltd., \$73,359.06, Standard Machine Works, \$9,879.98, miscellaneous, \$529.37; professional services, Northwood & Chivers, \$11,794.74, miscellaneous, \$1,146.50; sundries, \$2,409.50	427,717 82	260,114 47	385,917 21
Estimated requirements covering projects for which no expenditures were made	10,622,389 91		
	<u>\$60,936,058 37</u>	<u>\$7,081,937 99</u>	<u>\$24,422,378 55</u>

The report for the fiscal year 1940-41 showed details of expenditures for these projects in the amount of \$7,152,902.19, which has been reduced to the amount shown above as a result of recoveries of some of such expenditures and adjustments made necessary in view of subsequent information which has been received. The details of such recoveries and adjustments are as follows:

	Recoveries and Sales	Other Adjustments	Total Deductions
Aircraft Repair Ltd.: overhaul depot		56	56
Boeing Aircraft Co. of Canada Ltd.: assembly and overhaul of flying boats		62	62
Canadian Pratt & Whitney Aircraft Co. Ltd.: propeller manufacture		06	06
Canadian Vickers Ltd.: shock legs		13,167 43	13,167 43
Fleet Aircraft Ltd.: assembly and overhaul....	500 00	8,033 85	8,533 85
MacDonald Bros. Aircraft Ltd.: overhaul depot	833 33		833 33
winter conversion parts		1,948 67	1,948 67
Noorduyn Aviation Ltd.	690 01		690 01
Turnbull Elevator Co. Ltd.	3,948 55	65,933 89	69,882 44
Winnipeg Engine Overhaul Depot	167 18		167 18
Total Deductions	<u>\$ 6,139 07</u>	<u>\$ 89,085 08</u>	<u>\$ 95,224 15</u>

Additions to Expenditures

Canadian Vickers Ltd.: manufacture and assembly plant	13,167 43
Fleet Aircraft Ltd.: overhaul depot	8,033 85
MacDonald Bros. Aircraft Ltd.: overhaul depot	1,948 67
Winnipeg Engine Overhaul Depot	1,110 00
Total Additions	<u>24,259 95</u>
Net Reduction	<u>\$ 70,964 20</u>

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

Comments on Expenditures

Included in the above expenditures to March 31, 1942, are amounts totalling \$3,982,992.22, representing payments reported by Citadel Merchandising Co. Ltd. (a government-owned company), as being made in connection with orders for machinery and tools for the various projects, a large part of these payments being advances in respect of tools and machinery not delivered to the projects concerned as at March 31, 1942.

Departmental records, which reflect these payments by Citadel Merchandising Co. Ltd., were not brought into line with the corresponding records of Citadel Merchandising Co. Ltd. as at March 31, 1942. Previous comparisons have resulted in numerous adjustments in Departmental records. Consequently, the amounts detailed above with regard to the respective companies are not considered to be final.

SHIPPING

Purpose for which Allotment was provided

Expenditures for alteration and construction of buildings and fitting-out berths, and purchase and installation of machinery and equipment to enable companies to carry out ship repairs, construct vessels or manufacture ship component parts as detailed.

Details of Expenditures

	Estimated Requirements	Expenditures to March 31, 1942
Acadia Sugar Refinery Co. Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd., \$13,194.61, Acadia Sugar Refinery Co. Ltd., \$213.73	15,244 64	13,408 34
Atlantic Spring & Machine Co. Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	17,052 62	29 25
Canada Chain & Forge Co. Ltd.: components; machinery and equipment, Citadel Merchandising Co. Ltd.	50,639 34	9,361 01
Canada Foundries & Forgings Ltd.: components; machinery, equipment and building alterations, Citadel Merchandising Co. Ltd., \$110,672.82, Canada Foundries & Forgings Ltd., \$232,500	532,500 00	343,172 82
Canadian Vickers Ltd.: components; construction, Belmont Construction Co. Ltd., \$33,518.86; machinery and equipment, Citadel Merchandising Co. Ltd., \$258,493.71	1,026,600 00	292,012 57
repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	40,654 51	21,455 26
L. H. Cann: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	55,811 76	48,609.65
Wm. Collings & Sons Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	13,549 55	4,554 72
Darling Bros. Ltd.: components; construction, A. F. Byers Co. Ltd., \$25,400; architect, R. E. Bostrum, \$1,905; machinery and equipment, Citadel Merchandising Co. Ltd., \$58,830.01	170,510 20	86,135 01
Davie Shipbuilding & Repairing Co. Ltd.: fitting out berths; construction, The Foundation Co. of Canada Ltd., \$65,631.87; architect, O. J. McCulloch, \$3,068.08	884,935 00	68,699 95
Geo. T. Davie & Sons: shipbuilding; machinery, equipment and building alterations, Citadel Merchandising Co. Ltd., \$71,044.97, Geo. T. Davie & Sons, \$616,981.57	1,172,070 00	688,026 54
Dominion Bridge Co. Ltd.: components; machinery and equipment, Citadel Merchandising Co. Ltd.	977,429 00	193,449 91

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures to March 31, 1942
Halifax Shipyards Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	432,042 00	134,532 14
shipbuilding; machinery and equipment, Citadel Merchandising Co. Ltd.	513,999 35	127,389 05
Hillis & Sons Ltd.: components; machinery and equipment, Citadel Merchandising Co. Ltd.	37,775 00	8,733 45
T. Hogan & Son: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	4,250 00	3,980 00
Wm. Kennedy & Sons Ltd.: components; machinery, equipment and building alterations, Citadel Merchandising Co. Ltd., \$73,757.28, Wm. Kennedy & Sons Ltd., \$758,419.03 ..	949,000 00	832,176 31
Margaree Steamship Co. Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	27,520 96	20,254 16
Mersey Paper Co. Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	15,569 00	15,380 78
Montreal Dry Docks Ltd.: repairs; construction, Messrs. Alphonse Gratton Enr'g, \$6,800; machinery and equipment, Citadel Merchandising Co. Ltd., \$5,298.70 ..	12,960 00	12,098 70
James Morrison Brass Mfg. Co. Ltd.: components; construction, Chestnut, McGregor Ltd., \$66,895; architect, Murray Brown, \$2,595.69; machinery and equipment, Citadel Merchandising Co. Ltd., \$98,859.32 ..	364,174 00	168,350 01
Morton Engineering & Dry Dock Co. Ltd.: shipbuilding; machinery, equipment and plant extension, Citadel Merchandising Co. Ltd., \$127,873.61, Morton Engineering & Dry Dock Co. Ltd., \$331,428.58 ..	533,569 74	459,302 19
Pictou Foundry & Machine Co. Ltd.: shipbuilding; machinery, equipment and plant extension, Citadel Merchandising Co. Ltd., \$51,546.49, R. C. Standhope Inc., \$14,985, Pictou Foundry & Machine Co. Ltd., \$651,000 ..	1,362,000 00	717,531 49
Robb Engineering Works Ltd.: components; machinery and equipment, Citadel Merchandising Co. Ltd.	61,000 00	21,683 30
St. John Dry Dock & Shipbuilding Co. Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	59,351 60	1,121 75
fitting out berth; construction, Canadian Dredge & Dock Co. Ltd.	275,000 00	164,603 64
St. John Iron Works Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	60,563 72	34,042 34
St. John Machine Shop Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	350,000 00	121,619 77
Thompson Bros. Machinery Co. Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	14,185 81	10,751 25
Trenton Steel Works Ltd.: components; machinery, equipment and construction, Citadel Merchandising Co. Ltd., \$367,189.04, Trenton Steel Works Ltd., \$400,461.87 ..	1,429,325 00	767,650 91
United Shipyards Ltd.: shipbuilding; machinery and equipment, Citadel Merchandising Co. Ltd., \$11,906.18; construction, Fraser Brace Ltd., \$117,519.18 ..	3,000,000 00	129,425 36
T. Fred Williamson Ltd.: repairs; machinery and equipment, Citadel Merchandising Co. Ltd.	5,072 00	3,959 00
Estimated requirements covering projects for which no expenditures were made	937,625 00	
	<u>\$15,401,979 80</u>	<u>\$5,523,500 63</u>

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

Comments on Expenditures

Payments reported by Citadel Merchandising Co. Ltd., (a government-owned company), as made in connection with orders for machinery and tools for the various projects, as detailed above, amount to \$2,029,573.53, a large part of these payments being advances in respect of tools and machinery not delivered to the projects concerned as at March 31, 1942.

Departmental records, which reflect these payments by Citadel Merchandising Co. Ltd., have not been brought into line with the corresponding records of that company as at March 31, 1942. Previous comparisons of these records have resulted in numerous adjustments in Departmental records. Therefore, the amounts detailed above with regard to the respective projects are not considered to be final.

MUNITIONS PRODUCTION ALLOTMENT FUND

Order in Council P.C. 8318, November 21, 1941, provided that all allotments made during the fiscal year 1941-42 to that date, in connection with advances of working capital to government-owned and pre-financed plants, be consolidated into one general allotment to be known as the "Munitions Production Allotment Fund" and be increased to the sum of \$100,000,000.

It was also provided that this fund would be credited with all sales of articles manufactured for the Canadian Government by any of the companies concerned and that the amounts so credited could be used for the purpose of making further working capital advances as may be required by the companies from time to time.

Details of Expenditures

	Expenditures 1940-41	Expenditures to March 31 1942 less sales
<i>As of March 31, 1942, expenditures for the following projects were borne solely by the Dominion Government:—</i>		
Allied Brass Ltd., (now Canada Strip Mill Ltd.): brass	3,200,000 00	700,796 16
Canada Strip Mill Ltd.: brass	110,000 00	3,002,792 50
Canadian Pratt & Whitney Aircraft Co. Ltd.:		
propeller manufacture		1,018,619 88
propeller overhaul		224,506 33
Electric Reduction Co. of Canada Ltd.: phosphorus and chlorates	42,500 00	218,533 65
Electric Steels Ltd.: steel castings	286,750 00	3,662,914 80
Federal Aircraft Ltd.: Anson fuselages	120,782 65	1,646,106 80
Ferranti Electric Ltd.: magslips		120,475 95
Machinery Service Ltd.: war machinery		125,000 00
Montreal Locomotive Works Ltd.:		
tanks	50,000 00	10,275,807 83
tank top hulls and turret bodies; General Steel Castings Corp., through J. P. Morgan & Co. Inc., deposits and fees	385,923 14	3,237,722 06
Macdonald Chemicals Ltd.: shell filling		84,650 00
National Railway Munitions Ltd.: gun carriages		509,000 00
Northern Electric Co. Ltd.: fire control units		300,354 00
Regina Industries Ltd.: gun carriages		757,943 53
Research Enterprises Ltd.: instruments	374,803 45	13,166,294 35
Sorel Industries Ltd.: guns	2,639,192 42	14,945,536 50
Toronto Shipbuilding Co. Ltd.: ships		3,000,000 00
York Arsenals Ltd.: armour piercing cores		210,000 00
Dominion Arsenals:		
Quebec: ammunition		4,844,846 13
Lindsay: ammunition		3,931,250 49
	7,209,951 66	65,983,160 96

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Expenditures 1940-41	Expenditures to March 31 1942 less sales
<i>As of March 31, 1942, expenditures for the following projects to be borne jointly by the United Kingdom Government and the Dominion Government:—</i>		
Border Cities Industries Ltd.: aircraft machine guns; total expenditures, \$753,088.11, less \$181,389.30, approximately one-quarter, paid by the United Kingdom Government		571,698 81
Canadian Car Munitions Ltd.: shell filling; seven-eighths to be borne by the United Kingdom Government; total expenditures \$14,631,943.15, less \$13,054,735.05, paid by the United Kingdom Government	98,125 00	1,577,208 10
Canadian General Electric Co. Ltd.: gun carriages; total expenditures \$4,966,000, less \$612,875, approximately one-eighth, paid by the United Kingdom Government		4,353,125 00
Defence Industries Ltd.: primers and cartridges; ten-elevenths to be borne by the United Kingdom Government; total expenditures, \$14,201,741.19, less \$13,006,128.35 paid by the United Kingdom Government	77,003 64	1,195,612 84
shell filling; seven-eighths to be borne by the United Kingdom Government; total expenditures \$171,000, less \$154,375, paid by the United Kingdom Government		16,625 00
shell filling; seven-eighths to be borne by the United Kingdom Government; total expenditures, \$5,050,180, less \$4,545,000 paid by the United Kingdom Government		505,180 00
shell filling; seven-eighths to be borne by the United Kingdom Government; total expenditures \$6,202,194.60, less \$5,520,250 paid by the United Kingdom Government		681,944 60
Department of Transport, Aids to Navigation Division: depth charge primers and pistols; three-fifths to be borne by the United Kingdom Government; total expenditures \$16,374.09, less \$9,824.45, paid by the United Kingdom Government..	16,374 09	6,549 64
Dominion Bridge Co. Ltd.: naval guns; total expenditures, \$179,380, less \$113,009.40, approximately sixty-three per cent, paid by the United Kingdom Government		66,370 60
Dominion Engineering Works Ltd.: anti-tank guns; total expenditures \$3,481,514.71, less \$1,647,685.39, approximately one-half, paid by the United Kingdom Government	18,000 00	1,833,829 32
Electric Reduction Co. of Canada Ltd.: phosphorus; seven-eighths to be borne by the United Kingdom Government; total expenditures \$233,828, less \$211,516.12 paid by the United Kingdom Government		22,311 88
General Engineering (Canada) Ltd.: shell filling; seven-eighths to be borne by the United Kingdom Government; total expenditures \$4,049,628.16, less \$3,611,171.27 paid by the United Kingdom Government		438,456 89
John Inglis Co. Ltd.: machine guns and anti-tank rifles; total expenditures \$16,415,367.89, less \$8,472,000, approximately fifty-five per cent, paid by the United Kingdom Government	1,584,000 00	7,943,367 89
Otis Fensom Elevator Co. Ltd.: anti-aircraft guns; three-quarters to be borne by the United Kingdom Government; total expenditures \$7,650,000, less \$4,387,500 paid by the United Kingdom Government	75,000 00	3,262,500 00

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Expenditures 1940-41	Expenditures to March 31 1942 less sales
Small Arms Ltd.: small arms; two-thirds to be borne by the United Kingdom Government; total expenditures \$4,444,- 097.01, less \$1,914,620.62 paid by the United Kingdom Government	721,050 54 2,589,553 27	2,529,476 39 25,004,256 96
	<u>\$9,799,504 93</u>	<u>\$90,987,407 92</u>

Expenditures shown in the report for the year 1940-41 for Defence Industries Ltd., carbamite, \$74,000, and Shawinigan Chemicals Ltd., monoethylaniline, \$96,000, were recovered from the United Kingdom Government during the year under review.

Comments on Expenditures

Included in the above expenditures for the Dominion Arsenal at Quebec and Lindsay is the value placed upon the inventories of materials and supplies of the Arsenal as at March 31, 1941, the date from which the expenditures of the Arsenal were made chargeable to the allotments of the Department of Munitions and Supply. Prior to that date, such expenditures were borne by the allotments of the Department of National Defence. The value placed upon the inventories of the Lindsay and Quebec Arsenal was \$1,109,050.87 and \$2,999,180.74 respectively, the sum total of which was credited to Refund of Previous Years' War Expenditure of the Department of National Defence in the year under review.

Details and comments upon expenditures charged to the Arsenal as shown above are to be found under Direct Expenditures through the Department.

DIRECT EXPENDITURES THROUGH DEPARTMENT

Details of Expenditures

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Advertising and Publicity:			
A Gasoline Conservation	300,000 00		229,359 89
B Gasoline Rationing	700,000 00		148,818 68
C Publicity Campaign for War Effort	200,000 00		41,306 38
Aircraft:			
D Acquisition of Rights	615,000 00		366,348 30
E Aircraft Purchases	127,350,000 00		5,050,697 38
F Component Parts and Accessories..	720,000 00		21,742 76
G Fire Protection Facilities	617,789 50		66,291 00
H Purchase of Plants	1,200,000 00		632,497 97
I Snow Blower Equipment Units....	85,000 00		56,057 16
J Tool Kits	50,000 00		21,291 36
Duties and Taxes Refunded:			
K British Purchases	10,000,000 00		2,392,167 23
Housing:			
L Renovation of King Edward Hotel	25,500 00		22,790 88
M Staff House	120,000 00		99,327 55

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Purchase of Commodities:			
N Carbon Tetrachloride	7,636 36		1,835 07
O Chrome Ores	75,000 00	43,692 20	43,692 20
P Cloth	30,000,000 00	1,702,461 04	389,595 80
Q Ethylene Glycol	868,000 00		463,076 96
R Tin	5,243,956 23	1,617,504 53	3,436,658 51
S Tungsten Ore	3,085,000 00	146,775 55	1,246,035 30
Shipping:			
T Construction of Cargo and Naval Vessels and Component Parts.	307,227,000 00		30,385,279 04
U Construction of Car Barges	215,000 00		186,555 00
V Charter and Operation of Cargo Vessels	150,000 00		46,715 17
W Charter of Small Vessels and Dredges and Purchase of Barges	172,345 00		46,185 00
X Dismantling and Construction of Coal Handling Bridge	260,000 00		130,341 61
Y Dredging of Harbours and Repair- ing and Erection of Piers and Dry Docks	1,293,751 00		793,408 64
Z Portable Refrigerator Units for Ships	150,000 00		1,202 03
AA Purchase of Plant	975,000 00		975,000 00
BB Ship Repair Facilities—Various Harbours	828,291 56		233,990 87
Miscellaneous Munitions:			
CC British Technicians	50,000 00		14,162 50
DD Compensation for Cancellation of Projects and Orders	2,849 99		2,400 00
EE Department of Transport	168,210 00	300 33	88,817 25
FF Development, Testing and Ex- perimental Work	72,928 28		17,009 60
GG National Research Council	217,688 00	7,551 73	70,244 37
HH Purchase of Gauges	100,000 00	11,817 41	26,111 69
II Purchase of Land	2,499,350 00	499,740 02	1,547,378 09
JJ Purchase of Motor Trucks	8,967 88		8,849 88
KK Purchase of Tank Cars	1,099,000 00	452,392 48	870,293 28
LL Quebec Gauge Shop	36,000 00		6,608 45
MM Rental of Land and Storage Facilities for High Explosives	208,000 00		52,400 58
Dominion Arsenals:			
NN Lindsay	2,752,000 00		398,982 92
OO Quebec	9,984,906 67	1,691,906 67	9,025,263 70
Estimated requirements covering projects for which no expenditures were made	115,540,385 00		
	<u>\$625,274,555 47</u>	<u>\$ 6,174,141 96</u>	<u>\$ 59,656,790 05</u>

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

The total amount shown in the report for the fiscal year 1940-41 for the above types of expenditures was \$6,197,209.82 which was reduced during the year under review to the amount shown above as a consequence of the following:

The advances to the Department of Transport, Aids to Navigation Division, for the production of depth charge primers and pistols has been transferred to the Munitions Production Allotment Fund. As shown under that heading of expenditures, the United Kingdom contributed in the year under review \$9,824.45 with respect to the project.

The cost of land purchased in 1940-41 was reduced by \$650 as a result of the sales of buildings on such lands.

Rebates of insurance on tin purchased in 1940-41 amounted to \$6,043.77.

In addition to the above recoveries of expenditures, there was received the sum of \$47,628.68, being a refund in the amount of \$45,619.08 from a supplier of defective material purchased by the Dominion Arsenal at Lindsay and receipts \$2,009.60 from the sale of old machinery at the Quebec Arsenal.

The United Kingdom has contributed to the construction and equipment costs of extensions to the Dominion Arsenal at Quebec the sum of \$2,084,000 up to March 31, 1942, which has not been taken into account in the amount detailed above for this Arsenal.

Comments on Expenditures

The purpose for which the expenditures detailed above were made, together with suppliers' accounts for the fiscal year 1941-42 in excess of \$5,000, are as follows:

A Gasoline Conservation: programme under the direction of the Oil Controller, which was conducted by the advertising agencies and the War Financing Advertising Group; periodicals and newspapers, \$63,158.21, radio, \$135,671.33, artwork and drawings, \$14,695.18, Department of Public Printing and Stationery, \$9,689.19, National Film Board, \$5,696.89.

B Gasoline Rationing: organizing and conducting gasoline rationing under the Oil Controller, with the assistance of Messrs. Stevenson and Kellogg Ltd; Patent Chemicals Inc., \$27,169.94, including duty and taxes, Department of Public Works, \$16,773.25, Receiver General of Canada, \$32,586.08, postage.

As of March 31, 1942, the salaries of 397 employees were paid under this heading of expenditure in the amount of \$59,317.67. The following were receiving annual salaries of \$2,400 or over at that date: F. W. Annaud, \$3,600; A. H. Boyle, \$3,000; B. E. Brais, \$2,500; G. Caron, \$5,000; D. Currie, \$5,000; P. A. Curry, \$5,000; G. M. Davies, \$4,200; W. J. Dick, \$5,000; H. Duclos, \$4,500; S. V. Eastland, \$2,500; M. L. Fitzgerald, \$4,500; N. W. Fowler, \$2,800; C. A. Gravel, \$2,500; W. H. Kerwin, \$2,800; A. M. Miller, \$4,500; W. A. Moore, \$3,500; E. Nicholson, \$2,500; H. Slack, \$2,500; K. G. Slocomb, \$4,500; F. G. Spry, \$4,000; W. L. Watson, \$2,500.

This allotment was credited with \$158.82 with respect to the above salaries, which should have been deposited to the 1942-43 account.

C Publicity Campaign for War Effort: campaign to encourage maximum production of munitions and war supplies; cost of advertising in Canadian newspapers, Cockfield Brown & Co. Ltd., \$39,249.57.

D Acquisition of Rights: Canadian manufacturing rights, design data, and technical assistance for various types of aircraft; Douglas Aircraft Co. Inc., \$55,500, Fairchild Engine and Aeroplane Corp., \$88,800, Glen L. Martin Co., \$222,000.

E Aircraft Purchases: various types of aircraft; Canadian Car and Foundry Co. Ltd., \$4,152,521.38, Canadian Pratt & Whitney Aircraft Co. Ltd., \$184,105.53.

F Component Parts and Accessories: certain components and accessories required in the manufacture of aeroplanes, a portion of which is to be recovered from the United Kingdom Government; Singer Manufacturing Co. Ltd., \$22,161.96, less holdback, \$2,216.20.

G Fire Protection Facilities: for aircraft overhaul and production plants in which the Canadian Government has a large financial interest; Bennett and Wright Ltd., \$18,100, less holdback, \$1,810, Fog Nozzle of Canada Ltd., \$5,896.80, Nelson River Const. Co. Ltd., \$25,365, less holdback, \$2,536.50, G. Lorne Wiggs, \$15,000.

H Purchase of Plants: acquisition of two aircraft assembly plants; Canadian Associated Aircraft Ltd., \$626,247.97, Province of Quebec, \$6,250.

I Snow Blower Equipment Units: for use on flying fields in connection with aircraft assembly and overhaul plants; Niagara Screens and Machines Ltd., \$56,057.16.

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

J Tool Kits: purchase of a number of total kits required for aircraft engine overhaul and allotted to various private companies; Citadel Merchandising Co. Ltd., \$21,291.36.

K Duties and Taxes Refunded: expenditures under authority of P.C. 1/2540, April 11, 1941, which provided that the United Kingdom Government would be relieved of the payments of Canadian duties and taxes on articles and materials required in filling war orders or contracts placed by the Minister of Munitions and Supply on behalf of the United Kingdom Government; Aluminum Goods Ltd., \$5,853.74, W. D. Beath & Son Ltd., \$6,239.99, Brantford Coach & Body Ltd., \$35,513.42, Canadian Industries Ltd., \$90,070.69, Canadian Motor Lamp Co. Ltd., \$354,022.64, Canadian Pacific Railway Co., \$94,912.62, Canadian Top & Body Corp. Ltd., \$25,030.74, Canadian Westinghouse Co. Ltd., \$19,217.28, Chemical Construction Corp., \$382,449.64, Cockshutt Plow Co. Ltd., \$45,009.51, Dominion Bridge Co. Ltd., \$496,240.37, Dominion Foundries & Steel Ltd., \$6,669.74, Gar Wood Industries of Canada Ltd., \$47,626.21, Gotfredson Ltd., \$7,856.50, Massey-Harris Co. Ltd., \$35,528.12, Montreal Locomotive Works Ltd., \$11,186.28, Morrow Screw & Nut Co. Ltd., \$7,956.83, Mueller Ltd., \$15,794.25, McKinnon Industries Ltd., \$44,693.05, National Cash Register Co. of Canada Ltd., \$32,189.15, National Steel Car Corp. Ltd., \$120,177.66, Northern Electric Co. Ltd., \$108,154.79, Page-Hersey Tubes Ltd., \$170,751.54, Pedlar People Ltd., \$23,671.45, Seiberling Rubber Co. of Canada Ltd., \$20,855.87, Sherbrooke Pneumatic Tool Co. Ltd., \$7,224.30, Singer Mfg. Co. Ltd., \$56,235.85, Superheater Co. Ltd., \$35,389.84, Vulcan Iron Works Ltd., \$21,050.51.

L Renovation of King Edward Hotel: for housing workmen at steel floating dock at Halifax; Dominion Bridge Co. Ltd., \$22,790.88.

M Staff House: construction and furnishing for Canadian and United Kingdom Government inspectors; Cottingham Supply Co. Ltd., \$81,759.77, Lucien Lachapelle, \$14,886.23.

P Cloth: purchase of cloth for uniforms for personnel of armed forces, to be resold to manufacturers of uniforms.

Contracts placed by the Department with the manufacturers of cloth have been, in the main, on a fixed price basis, subject to audit by representatives of the Minister to determine whether the manufacturer's profit was fair and reasonable in the Minister's opinion. Costs, established as a result of previous investigations, are used as a basis of determining the fixed price in the first instance. In the event that a manufacturer's profit is found to be excessive, such excess is to be refunded.

Suppliers' accounts for the year in excess of \$25,000 were:—Ayers Ltd., \$398,640.58; Barrymore Cloth Co. Ltd., \$1,251,901.16, Bates & Innes Ltd., \$72,049.89, Brook Woollen Co. of Simcoe Ltd., \$85,335.41, Canadian Cottons Ltd., \$253,661.19, William Collie, \$142,929.85, Cosmos Imperial Mills Ltd., \$37,826.06, Department of National Defence, \$4,659,313.20, Dominion Textile Co. Ltd., \$912,300.06, Dominion Woollens & Worsteds Ltd., \$1,589,311, Downs Coulter & Co. (Canada) Ltd., \$78,327.44, Dupont Textiles Ltd., \$194,207.74, T. Eaton Co. Ltd., \$37,640.14, Hamilton Cotton Co. Ltd., \$49,893.33, Hield Brothers Ltd., \$142,862.16, Horn Brothers Ltd., \$111,516.07, J. A. Humphrey & Son Ltd., \$282,918.75, Huntingdon Woollen Mills Ltd., \$224,445.06, Imperial Cloth Co., \$51,452.10, La France Textiles Ltd., \$103,871.05, Montreal Cottons Ltd., \$2,121,725.12, Oxford Woollen Mills Ltd., \$62,229.78, Paton Manufacturing Co. Ltd., \$1,187,541.61, Geo. Pattison Co. Ltd., \$518,460.28, Regent Knitting Mills Ltd., \$220,205.99, Renfrew Textiles Ltd., \$34,913.26, Renfrew Woollen Mills, \$630,872.37, W. Robinson & Son Converters Ltd., \$147,436.58, Rosamond Woollen Co. Ltd., \$359,419.66, St. Andrews Woollen Mills Ltd., \$33,339.44, St. Johns Textile Mills Ltd., \$172,729.97, Slingsby Manufacturing Co. Ltd., \$759,307.09, Tayside Textiles Ltd., \$80,158.77, Textile Sales Ltd., \$34,061.55, Wabasso Cotton Co. Ltd., \$93,983.64, Warwick Woollen Mills Ltd., \$45,564.34.

Sales of cloth to manufacturers for the year in excess of \$25,000 were:—American Pad & Textile Co., \$142,968.48, Amtorg Trading Co., \$260,700, Biltmore Shirt Co. Ltd., \$170,091.71, Brill Hat & Cap Co. Ltd., \$54,319.72, Buffalo Cap & Neckwear Ltd., \$116,095, Canadian Sportswear Co. Ltd., \$48,000, Clayton & Sons Ltd., \$356,520.71, Cluett, Peabody Co. Canada, Ltd., \$44,325, Cook Clothing Co. Ltd., \$128,886.15, Cooper Clothing Manufacturing Co. Ltd., \$32,030.44, Copley, Noyes & Randall Ltd., \$277,156.28, Cornell Tailors Ltd., \$393,465.84, Cornwall Pants & Prince Clothing Co., \$49,994.43, Deacon Shirt Co., \$27,692.93, Department of National Defence, \$65,982.55, Devonshire Clothes Ltd., \$347,517.78, D.M.C. Cap Manufacturing Co. Ltd., \$86,553.89, Durable Waterproofs Ltd., \$54,666.66, T. Eaton Co. Ltd., \$2,509,866.92, J. Elkin Co. Ltd., \$40,883.03, Fashion Craft Manufacturers Ltd., \$262,175.45, Firth Brothers Ltd., \$318,680.01, John Forsyth Ltd., \$53,035.40, Freedman Co., \$41,048.09,

DEPARTMENT OF MUNITIONS AND SUPPLY—*Con.*

Freed & Freed Ltd., \$93,473.80, Great Western Garment Co. Ltd., \$675,739.40, Green's Manufacturing House Ltd., \$45,112.03, Gunn Garment Ltd., \$37,406.60, Hamilton Uniform Cap Co., \$64,765.15, Hercules Mfg. Co. Ltd., \$233,490.79, S. S. Holden Co. Ltd., \$148,587.12, Hyde Park Clothes & Royal Brand Clothing Co., \$184,891.01, Jacob Crowley Mfg. Co., \$69,050, James Brothers Ltd., \$55,475.79, Maritime Pant Mfg. Co., \$759,831.87, Master-Bilt Clothes Ltd., \$352,522.91, Monarch Overall Mfg. Co. Ltd., \$161,009.28, J. L. Morton & Co. Ltd., \$281,840.56, National Hat Mfg. Co. Ltd., \$83,113.03, National Textiles Ltd., \$68,980.86, Needlecraft Mills Ltd., \$30,041.19, New Zealand Supply Mission, \$66,130, Northern Shirt Co. Ltd., \$181,049.94, Ontario Silknit Ltd., \$27,080.50, Pollock & Dorfman, \$247,156.20, Rayman Cap Mfg. Co., \$47,151.71, Ritchie Forbes & Co., \$383,240.03, Royal Garment Mfg. Co., \$27,229.77, Rubenstein Bros. Ltd., \$227,275.58, Rubin Bros. Ltd., \$107,563.70, S. Rubin Ltd., \$272,524.74, S & G Clothing Co. Ltd., \$417,382.24, Sainthill-Levine & Co. Ltd., \$97,793.75, Service Garment Co., \$39,042.21, Robert Simpson Co. Ltd., \$100,013.30, Sparks-Harris Ltd., \$154,590.76, Sterling Clothing Co. Ltd., \$350,570, M. Stone Clothing Co. Ltd., \$44,244.01, Superior Knitting Mills Ltd., \$44,812.76, Sures Bros. Ltd., \$30,030, Tip Top Tailors Ltd., \$1,301,698.85, Tooke Bros. Ltd., \$125,066.79, Trio Shirt Mfg. Reg'd, \$67,735.49, Uniform Co. Reg'd, \$935,957.99, United Garments Ltd., \$83,541.71, Warrendale Shirt Co. Ltd., \$29,703.45, Western Glove Works Ltd., \$69,599.72, Western King Manufacturing Co. Ltd., \$240,415.65, Western Shirt & Overall Manufacturing Co. Ltd., \$127,356.91, Woods Manufacturing Co. Ltd., \$85,733.96, Workman Uniform Co. Ltd., \$2,250,479.11, Yamaska Garments Ltd., \$110,779.26.

Q Ethylene Glycol: purchasing and processing before distribution for war and certain civilian requirements; Canadian National Carbon Co. Ltd., \$62,478.14, Carbide & Carbon Chemicals Corp., \$133,533.29, Chrysler Corp. of Canada Ltd., \$28,238.52, Collector of Customs & Excise, \$11,298.06, The Dow Chemical Co., \$111,200.46, E. I. Dupont de Nemours Co., \$73,421.17, Shell Oil Co. of Canada Ltd., \$33,847.87.

R Tin: reserve stock against contingencies; African Metals Corp., \$292,351.95, Benedict-Proctor Mfg. Co. Ltd., \$21,284.43, Colegate-Palmolive-Peet Co. Ltd., \$53,043.58, Adam Hope & Co. Ltd., \$1,276,759.55, A. C. Leslie & Co. Ltd., \$173,324.67.

S Tungsten Ore: reserve stock against contingencies; Atlas Steels Ltd., \$163,654.66, Electro-Metallurgical Co., \$41,361.16, E. J. Lavena & Co., \$83,203.98, Murex Ltd., \$725,422.18, United Kingdom Commercial Corp. Mission, \$83,940.20.

T Construction of Cargo and Naval Vessels, and Component Parts: Burrard Dry Dock Co. Ltd., \$1,006,000, Canada Foundries & Forgings Ltd., \$36,146, Canadian Allis Chalmers Ltd., \$126,960, Canadian Sumner Iron Works Ltd., \$13,000, Canadian Vickers Ltd., \$210,295.05, Clare Shipbuilding Co. Ltd., \$69,870, Collingwood Shipyards Ltd., \$1,086,000, Consolidated Engineers Ltd., \$38,000, Davie Shipbuilding & Repairing Co. Ltd., \$357,000, Geo. T. Davie & Sons, \$410,000, Dominion Engineering Works Ltd., \$366,740, Grand Trunk Pacific Development Co. Ltd., \$1,302,000, Heaps Engineering (1940) Ltd., \$260,200, John Inglis Co. Ltd., \$440,444.50, Wm. Kennedy & Sons Ltd., \$36,575, Kingston Shipbuilding Co. Ltd., \$460,600, Letson & Burpee Ltd., \$70,000, Mainland Foundry Co., \$13,650.78, Marine Industries Ltd., \$3,910,850, Midland Shipyard Ltd., \$574,000, Morton Engineering & Dry Dock Co. Ltd., \$524,000, North Van Ship Repairs Ltd., \$5,952,000, Phelps Dodge Copper Products Corp., \$142,706.29, Pictou Foundry & Machine Co. Ltd., \$380,000, Progressive Engineering Works Ltd., \$139,000, St. John Dry Dock & Shipbuilding Co. Ltd., \$574,560, The Smart-Turner Machine Co. Ltd., \$9,950, The Superheater Co. Ltd., \$19,654.20; United Shipyards Ltd., \$60,000, Vancouver Engineering Works Ltd., \$84,153.70, Vancouver Iron Works Ltd., \$264,000, Victoria Machinery Depot Co. Ltd., \$2,604,000, Wagstaff & Hatfield, \$28,400, Wartime Merchant Shipping Ltd., \$2,811,306.09, Webb & Gifford Ltd., \$8,091.75, West Coast Shipbuilders Ltd., \$4,151,000, Westminster Iron Works Co. Ltd., \$160,000, Yarrows Ltd., \$1,674,000.

U Construction of Car Barges: Star Shipyard "Mercers" Ltd., \$101,700, West Coast Salvage & Contracting Co. Ltd., \$83,880.

V Charter & Operation of Cargo Vessels: under direction of the Transport Controller, Dept. of Transport, to facilitate delivery of machinery, equipment, and other supplies required in connection with government contracts.

Suppliers accounts in excess of \$5,000 were:—Anglo-Newfoundland Development Co., \$5,807.79, Canada Steamship Lines Ltd., \$24,624.98, Eastern Canada Stevedoring Co. Ltd.,

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\$8,545.97, Furness Whithy Co. Ltd., \$13,965.42, Montreal Shipping Co. Ltd., \$56,677.60; receipts during the year, from contractors who benefited therefrom, amounted to \$62,906.59.

W Charter of Small Vessels and Dredges and Purchase of Barges: in connection with coal handling; John F. Sowards, \$8,320, United Towing & Salvage Co. Ltd., \$27,000, Charles N. Wilson, \$8,000.

X Dismantling and Construction of Coal Handling Bridge: purchase, removal and re-erection of coal handling bridge complete with equipment; J. P. Porter & Sons Ltd., \$24,199.26, St. Lawrence Stevedoring Co. Ltd., \$100,000.

Y Dredging of Harbours and Repairing and Erection of Piers and Dry Docks: Canada Creosoting Co. Ltd., \$79,390.72, Canadian Dredge & Dock Co. Ltd., \$655,037, (including fee of \$20,700), J. A. Likely Ltd., \$52,750.73.

AA Purchase of Plant: purchase of entire issued capital stock of Dufferin Shipbuilding Co. Ltd.; Dufferin Paving & Crushed Stone Ltd., \$975,000.

BB Ship Repair Facilities—Various Harbours: construction and equipment to facilitate ship repairs; Brookfield Construction Co. Ltd., \$65,955, Citadel Merchandising Co. Ltd., \$101,605.89, Foundation Maritime Ltd., \$29,320.90, T. C. Gorman Ltd., \$36,191.84, (including fee of \$1,000).

CC British Technicians: salaries and travelling expenses of a group of specially selected men from Britain who are assisting in overcoming Canadian munitions production problems; Genelco Ltd., \$5,676.81.

EE Department of Transport:

Aids to Navigation Division; erection and alterations of building and installation of machinery and equipment for the manufacture of primers and pistols for depth charges, the costs of which are being borne jointly by the United Kingdom Government and the Canadian Government; total expenditures, Citadel Merchandising Co. Ltd., \$91,765.60, less \$13,450.56 paid by the United Kingdom Government;

Meteorological Service: for the manufacture, conversion and reconditioning of special instruments; Department of Transport, \$9,095.47.

FF Development, Testing and Experimental Work: development work on automotive production, experimental models, patterns, and tank hulls; J. P. Morgan & Co. Inc., \$7,393.24.

GG National Research Council: construction of buildings and installation of machinery and equipment for the production of charcoal and the rectification of gauges; Citadel Merchandising Co. Ltd., \$55,433.70, National Research Council, \$7,258.94.

HH Purchase of Gauges: used in munitions program; John Bertram & Sons Ct. Ltd., \$1,539.28, Canada Illinois Tools Ltd., \$2,508.90, Rudel Machinery Co. Ltd., \$2,944, Williams & Wilson Ltd., \$2,792.73.

II Purchase of Land: to be owned by the Dominion Government, for munitions and explosives plants; net expenditures in excess of \$5,000 were made for the following projects: Atlas Steels Ltd., \$10,154.14, Canadian Acme Screw & Gear Ltd., \$21,962.09, Canadian Car Munitions Ltd., \$177,664.79, Canadian Pratt & Whitney Aircraft Co. Ltd., \$9,497.01, Canadian Vickers Ltd., \$22,000, Clark-Ruse Aircraft Ltd., \$16,553, Defence Industries Ltd., various plants, \$324,880.60, General Engineering Co. (Canada) Ltd., \$63,512.16, John Inglis Co. Ltd., \$158,029.14, Noorduyin Aviation Ltd., \$26,554.01, Research Enterprises Ltd., \$8,912.12, St. Catharines Steel Products Ltd., \$132,821.95, shell and explosives storage facilities, \$48,456.25, staff house, Sorel Industries Ltd., \$14,000. Payments to Canadian National Railways for salaries, travelling and other expenses incidental to the purchase of land amounted to \$31,304.

JJ Purchase of Motor Trucks: for transporting ammunition; International Harvester Co. Ltd., \$8,849.88.

KK Purchase of Tank Cars: for transporting ammonia; Canadian Car & Foundry Co. Ltd., \$407,527.20, Canadian Pacific Railway Co., \$8,683.60.

LL Quebec Gauge Shop: purchase of machine tools for manufacture of gauges by the Joint Inspection Board; Citadel Merchandising Co. Ltd., \$6,608.45.

MM Rental of Land and Storage Facilities for High Explosives: National Harbours Board, \$11,456.84, Standard Underground Cable Co. of Canada Ltd., \$6,249.99, Wolfe Stevedores Ltd., \$25,930.42.

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NN Dominion Arsenal, Lindsay: expenditures for operation, maintenance and extension of plant, classified as follows:

i. Salaries	63,724 19
ii. Wages	1,068,367 24
iii. Telephone and Telegraph	1,512 73
iv. Travelling Expenses	926 25
v. Machinery and Equipment	321,876 17
vi. Maintenance, Repairs and Alterations to Buildings	61,919 98
vii. Materials and Supplies	2,184,238 42
viii. Water, Light, Heat and Power	50,660 29
ix. Miscellaneous Expense	3,030 27
	<hr/>
	3,756,255 54
Less refunds applicable to 1940-41 expenditures, which were charged to the allotment of the Department of National Defence	63,054 62
	<hr/>
	3,693,200 92
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Of this amount, \$3,294,218 was charged to the Munitions Production Allotment Fund.

Comments on Expenditures

i. Salaries:—As of March 31, 1942, there were 38 employees paid under this heading of expenditures. The following were receiving annual salaries of \$2,400 or over at that date: J. S. Allan, \$2,400; J. Allen, \$2,520, G. F. Antell, \$2,700; C. H. F. Cottee, \$3,300; A. P. Deroche, \$4,500; H. Punnett, \$2,520; W. R. G. Ray, \$3,120; F. Tillcock, \$2,400.

One employee was overpaid \$23.23 which was not recovered, according to the records of the Central Pay Office.

ii. Suppliers' and contractors' accounts, in excess of \$5,000 under the above expenditure headings, were:—

v. Machinery and Equipment: Canada Iron Foundries Ltd., \$12,563.54; The Canadian Fairbanks-Morse Co. Ltd., \$15,016.74; Citadel Merchandising Co. Ltd., \$174,408.86; Dominion Engineering Co. Ltd., \$34,526.16; The Ford-Smith Machine Co. Ltd., \$5,359.24; Pratt & Whitney of Canada, \$8,019.78; Whitehall Machine & Tools Ltd., \$6,174.90; Williams & Wilson Ltd., \$5,350.30.

vi. Maintenance, Repairs and Alterations to Buildings: Central Bridge Co. Ltd., \$16,091.50; Custodis Canadian Chimney Co. Ltd., \$12,900.

vii. Materials and Supplies: Algoma Steel Corporation Ltd., \$379,329.92; American Crucible Co., \$5,345.88; Anaconda American Brass Ltd., \$47,434.48; The Atlas Oil Co., \$6,026.39; Atlas Steels Ltd., \$9,060.52; The British American Oil Co. Ltd., \$15,297.12; British Metal Corporation (Canada) Ltd., \$43,180.50; C. and S. Products, \$6,040; The Canadian Fairbanks-Morse Co. Ltd., \$13,545.99; Canadian General Electric Co. Ltd., \$11,460.99; Canadian Liquid Air Co. Ltd., \$8,853.24; Canadian Oil Companies Ltd., \$6,073.95; Cities Service Oil Co. Ltd., \$24,815.68; The Consolidated Mining & Smelting Company of Canada Ltd., \$1,281,011.21; The Corrugated Paper Box Co. Ltd., \$8,612.12; Dominion Engineering Co. Ltd., \$17,143.45; The Frost & Wood Co. Ltd., \$9,651.06; Hamilton By Product Coke Ovens Ltd., \$56,406.57; Imperial Oil Ltd., \$6,046.88; La Salle Coke Co., \$23,106.39; McArthur Chemical Co. Ltd., \$7,134.79; National Refractories Ltd., \$6,635.74; Railway & Power Engineering Corporation Ltd., \$22,266.02; St. Lawrence Importing & Distributing Co. Ltd., \$28,516.45; The Steel Company of Canada Ltd., \$12,726.93; The Sylvester Mfg. Co. Ltd., \$6,626.72; Viceroy Mfg. Co. Ltd., \$5,576.88; Williams & Wilson Ltd., \$5,165.12.

viii. Water, Light, Heat and Power: The Board of Water Commissioners, Town of Lindsay, \$6,706.69; Lindsay Hydro-Electric System, \$23,682.97; Superior Fuels & Supplies, \$18,188.95.

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00 Dominion Arsenal, Quebec: expenditures for operation, maintenance and extension of plant, classified as follows:

i. Salaries	168,397 97
ii. Pay and Allowances	14,063 95
iii. Wages	6,503,545 26
iv. Travelling and Transportation	351,724 35
v. Freight, Cartage and Express	149,911 99
vi. Machinery and Equipment	3,931,809 65
vii. Materials and Supplies	4,153,118 52
viii. Customs Duty and Taxes	299,333 76
ix. Professional and Special Services	163,670 76
x. Repairs, Maintenance and Construction	3,309,141 08
xi. Telephone and Telegraph	7,027 05
xii. Water, Light, Heat and Power	204,349 12
xiii. Miscellaneous Expense	4,763 20
	<hr/>
	\$19,260,856 66
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Of this amount, \$14,482,680.37 was charged to the Munitions Production Allotment Fund.

Comments on Expenditures

i. Salaries:—As of March 31, 1942, there were 116 employees paid under this heading of expenditures. The following were receiving annual salaries of \$2,400 or over on that date: J. D. Bolduc, \$2,700; I. Cantin, \$2,820; J. Costin, \$2,520; J. O. M. Cote, \$3,120; A. A. Fleming, \$4,140; H. P. Foucher, \$3,300; P. J. Fuller, \$3,600; A. Genest, \$4,200; J. M. Grenier, \$2,400; A. J. Grenon, \$2,760; O. J. Hannon, \$2,520; J. A. J. Kane, \$3,300; H. Laberge, \$3,420; R. Lachance, \$3,300; C. Lemaire, \$6,000; C. C. Lessard, \$3,600; S. G. Newton, \$4,140; A. Paquet, \$2,820; A. L. Paquette, \$2,760; A. St. Hilaire, \$2,700; P. Turgeon, \$3,000; P. Warren, \$3,300.

Twenty employees were receiving annual war duties supplements on March 31, 1942, as follows: G. N. Ansell, \$600; E. Armstrong, \$840; J. C. Bilodeau, \$180; W. Bissonnette, \$240; P. Boucher, \$540; D. Busque, \$960; J. O. M. Cote, \$1,500; C. Couture, \$600; T. F. Duchene, \$1,680; P. Dussault, \$240; A. A. Fleming, \$860; F. R. S. Fortier, \$240; P. J. Fuller, \$1,280; J. M. Grenier, \$120; R. Grenon, \$1,940; L. P. G. Lamontagne, \$240; G. H. Lemieux, \$540; S. G. Newton, \$1,260; A. W. Pakenham, \$540; J. Thibaudeau, \$1,680.

Salaries were paid to two employees whose employment were not authorized in accordance with the regulations.

ii. Pay and Allowances: Payment to the Department of National Defence for ten months ending January, 1942, for the following employees: Lt. J. J. R. Cannon, \$966.40; Capt. G. A. E. Couture, \$2,429.20; Lt.-Col. H. S. Kirby, \$3,910.15; Lt. J. A. M. Roy, \$1,978.20; Brigadier A. Theriault, \$4,780.

iv. Travelling and Transportation expenses in excess of \$300 were: Autobus Fournier, Ltd., \$700.35; Canadian National Railways, transportation of employees, \$338,603.22; Capt. G. A. E. Couture, \$446.68; A. A. Fleming, \$747.27; P. J. Fuller, \$796.54; A. Genest, \$534.24; R. Grenon, \$1,149.38; H. Laberge, \$1,565.66; Z. Langlais, \$332; B. McLeod, \$468.90; S. G. Newton, \$551.67; V. Picard, \$327.71; Brigadier A. Theriault, \$1,892.35; J. Thibaudeau, \$682.34.

Suppliers' and contractors' accounts in excess of \$5,000 under the above expenditure headings were:—

v. Freight, Cartage and Express: J. B. Baillarger Express, \$5,862.25; Canadian National Railways, \$104,500.87; Canadian Pacific Railway Co., \$13,493.12; Department of National Defence, \$17,613.58; Napoleon Giroux, \$7,841.29.

vi. Machinery and Equipment: John Bertram & Sons Co. Ltd., \$9,747.22; Canada Iron Foundries, Ltd., \$145,069.52; The Canadian Fairbanks-Morse Co. Ltd., \$86,438.46; Canadian General Electric Co. Ltd., \$29,264.58; Chemical Analysis & Research Laboratory Reg'd.

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\$5,741.47; Chrysler Corporation of Canada Ltd., \$7,986.62; Citadel Merchandising Co. Ltd., \$2,998,747.40; Crucible Furnace Co. Inc., \$5,799.09; Delamere & Williams Ltd., \$36,971.21; Alfred Despres, \$14,048.21; Dominion Engineering Co. Ltd., \$70,987.56; Dominion Machine Shop, \$6,046.34; La Cie F. X. Drolet, \$18,066.03; Flexible Shaft Co. Ltd., \$13,397.38; International Business Machines Co. Ltd., \$6,366.40; John E. Livingstone Machinery Co. Ltd., \$9,389.20; Morton Engineering & Dry Dock Co. Ltd., \$12,132.06; The Office Specialty Mfg. Co. Ltd., \$6,472.59; Rudel Machinery Co. Ltd., \$19,953.82; T. E. Ryder Machinery Co., \$20,915.24; The Steel Company of Canada, Ltd., \$5,386.36; Vandry Inc., \$5,648.49; Williams & Wilson Ltd., \$248,354.63; The A. R. Williams Machinery Co. Ltd., \$132,718.00.

vii. Materials and Supplies: Allied Brass Ltd., \$157,971.21; Aluminum Company of Canada Ltd., \$95,132.24; American Crucible Co., \$9,534.85; Anaconda American Brass Ltd., \$156,418.68; Anglo Canadian Oil & Products, \$7,817.23; Animal Trap Company of America, \$185,926.12; The Atlas Oil Co., \$6,448.23; Atlas Steels Ltd., \$132,475.45; Auger & Auger, \$31,233.30; F. Bacon & Co. Reg'd, \$93,362.72; W. J. Banks, \$9,129.92; Belding-Corticelli Ltd., \$8,185.83; E. W. Bliss Company of Canada Ltd., \$6,526.47; Bourke & Mabee, \$16,100.43; The British Metal Corporation (Canada) Ltd., \$452,628.31; British Purchasing Commission, \$7,989.45; W. Brunet & Co. Ltd., \$5,558.22; F. Canac-Marquis Ltd., \$28,425.23; Canada Iron Foundries Ltd., \$5,239.98; Canada Sand Papers, Ltd., \$8,775.78; Canadian Durex Abrasives Ltd., \$11,834.84; The Canadian Fairbanks-Morse Co. Ltd., \$45,118.95; Canadian General Electric Co. Ltd., \$40,552.34; The Canadian Import Co. Ltd., \$63,247.94; Canadian Industries Ltd., \$36,843.44; Canadian International Paper Co., \$6,320.24; Canadian Oil Companies Ltd., \$7,913.41; Canadian Tube & Steel Products Ltd., \$7,975.85; O. Chalifour Inc., \$9,595.70; E. J. Chartier & Co., \$11,813.47; The Code Felt & Knitting Co. Ltd., \$11,170.71; The Consolidated Mining & Smelting Company of Canada Ltd., \$372,822.96; Cordage Distributors Ltd., \$7,277.87; Crane Ltd., \$10,179.58; Defence Industries Ltd., \$462,629.94; Delamere & Williams, Ltd., \$12,690.17; Department of National Defence, \$21,852.22; A. Deslauriers & Sons Ltd., \$66,888.19; J. M. Dessureault Inc., \$7,168.04; Dominion Electrohome Industries Ltd., \$12,214.80; Dominion Woollens & Worsteds Ltd., \$14,354.02; La Cie F. X. Drolet, \$21,242.83; E. I. du Pont de Nemours, \$75,571.04; Laval Emond, \$5,710.82; The Eureka Planter Co. Ltd., \$33,783.70; Fisher Scientific Co. Ltd., \$7,877.72; Flexible Shaft Co. Ltd., \$5,775.80; J. H. Fugere, \$37,064.61; G. & G. Bros. Ltd., \$7,182.93; General Steel Wares Ltd., \$42,163.11; Harrington Tool & Die Co. Ltd., \$6,150.34; Imperial Oil Ltd., \$6,147.89; The International Nickel Company of Canada Ltd., \$305,201.41; Kingston Penitentiary, \$8,256.00; The Kitchen Overall & Shirt Co. Ltd., \$8,396.11; LaSalle Coke Co., \$76,076.59; Michel Latulippe Enr., \$5,031.03; A. C. Leslie & Co. Ltd., \$6,529.41; Lever Brothers Ltd., \$9,246.40; Machine Shop Levis Letourneau, \$12,283.96; Madden & Son Ltd., \$6,123.86; Magloire Cauchon Ltd., \$20,101.05; McArthur Chemical Co. Ltd., \$5,178.53; McColl-Frontenac Oil Co. Ltd., \$7,340.37; The Robert Mitchell Co. Ltd., \$24,167.16; Northern Electric Co. Ltd., \$11,541.34; Quebec Brass & Iron Foundry Co. Ltd., \$7,141.24; Quebec Paper Box Co. Ltd., \$24,629.09; Railway & Power Engineering Corporation Ltd., \$18,748.71; Remington Arms Co. Inc., \$9,948.38; Richard Freres, \$7,516.55; Rioux & Pettigrew Ltd., \$6,191.51; P. L. Robertson Mfg. Co. Ltd., \$6,859.63; E. A. Rousseau, \$6,579.39; Rutherford Co. Ltd., \$6,324.00; Samson & Filion Ltd., \$12,648.95; Scythes & Co. Ltd., \$9,514.27; The Singer Mfg. Co., \$28,380.00; The Steel Company of Canada Ltd., \$19,839.97; Stotland Dress Inc., \$8,514.72; C. M. Strong Co. Ltd., \$14,248.76; Superior Steel Corporation, \$292,216.87; Terreau & Racine Ltd., \$15,706.96; The W. S. Tyler Company of Canada Ltd., \$15,999.56; Union Twist Drill Co., \$12,828.79; Vandry Inc., \$6,472.43; Williams & Wilson Ltd., \$48,905.44; The Herman Young Co. Ltd., \$5,355.22.

viii. Customs Duty and Taxes: Collector of Customs, \$299,333.76.

ix. Professional and Special Services: Beaulé & Morissette, \$10,300.00; Dr. J. Emile Fortier, \$11,914.00; J. M. Eugene Guay, \$14,434.17; McDougall & Friedman, \$7,148.81; T. Pringle & Son Ltd., \$108,149.41.

x. Repairs, Maintenance and Construction: Anglin-Norcross Quebec Ltd., \$2,063,756.93; Canadian National Railways, \$42,147.05; Delamere & Williams Ltd., \$12,323.50; A.

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Deslauriers & Sons Ltd., \$127,372.00; J. B. Dugas Enr., \$14,424.91; Goulet Ltd., \$13,906.42; International Water Supply Ltd., \$12,936.00; Freres Jobin Inc., \$70,119.80; Eugene Jinchereau, \$8,585.00; La Compagnie de Construction Laviolette Ltd., \$81,868.50; Magloire Cauchon Ltd., \$701,079.69; Metropolitan Electric Co. Ltd., \$35,861.67; Union Quarries & Paving Ltd., \$74,034.01.

xi. Telephone and Telegraph: The Bell Telephone Company of Canada, \$6,462.70.

xii. Water, Light, Heat and Power: The Canadian Import Co. Ltd., \$28,681.88; Madden & Son Ltd., \$8,782.98; Quebec City, \$13,500.00; Quebec Power Company, \$116,726.39; The Shawinigan Water & Power Co., \$26,502.00.

FINANCIAL REQUIREMENTS OF GOVERNMENT-OWNED COMPANIES

Summary of Estimates and Expenditures

	Estimated Requirements	Expenditures 1940-41	Expenditures to March 31, 1942
Charged as Expenditures			
Allied War Supplies Corporation	1,000,000 00	311,665 90	944,408 39
Atlas Plant Extension Ltd.	5,615,521.00	325,000 00	3,357,000 00
Citadel Merchandising Co. Ltd.	14,000,000 00	5,069,471 16	8,756,085 45
Cutting Tools & Gauges Ltd.	400,000 00		43,562 00
Federal Aircraft Limited	10,973,952 00	719,574 82	7,407,261 56
Machinery Service Limited	300,000 00		181,738 40
National Railways Munitions Ltd.	4,500,000 00		2,509,386 35
Polymer Corporation Ltd.	10,000 00		10,000 00
Research Enterprises Ltd.	11,329,220 00	1,698,417 40	5,667,374 98
Small Arms Ltd.	9,098,084 00	1,344,181 07	5,559,922 05
Trafalgar Shipbuilding Co. Ltd.	1,000 00		28 00
War Supplies Ltd.	100,000 00		38,653 56
Wartime Housing Ltd. Administration...	300,000 00	9,770 00	211,026 23
Construction....	29,642,619 00		16,658,897 00
Wartime Merchant Shipping Ltd.	510,000 00		507,372 20
	<u>87,780,396 00</u>	<u>9,478,080 35</u>	<u>51,852,660 17</u>
Charged to Open Accounts			
Atlas Plant Extension Ltd.	10,000,000 00	1,983,000 00	6,533,483 04
Fairmont Company Ltd.	25,000,000 00	4,279,498 35	11,955,394 73
Melbourne Merchandising Ltd.	8,800,000 00	3,143,453 29	5,531,319 10
Plateau Company Ltd.	3,000,000 00	160,000 00	957,729 86
Research Enterprises Ltd.	300,000 00	300,000 00	285,000 00
	<u>47,100,000 00</u>	<u>9,865,951 64</u>	<u>25,262,926 73</u>
	<u>\$134,880,396 00</u>	<u>\$ 19,344,031 99</u>	<u>\$ 77,115,586 90</u>

The advances for working capital of Research Enterprises Ltd., and Small Arms Ltd. as at March 31, 1941, are reported under the Munitions Production Allotment Fund.

Expenditures as detailed above for the fiscal year 1940-41 vary with respect to some of the companies from the expenditures shown in the report for that year. Such variations arose as a result of the recovery in the year under review of some of the expenditures made by the companies in the fiscal year 1940-41. The financial results of the above companies are summarized under the General Observations section.

DEPARTMENT OF NATIONAL DEFENCE

SPECIAL WAR REVENUES

The revenues reported hereunder consist of refunds of previous years' war expenditures and other receipts classified as special war revenues. Other Department of National Defence revenues are designated as "ordinary" revenues and are shown in the departmental revenue and expenditure statements given earlier in this report.

<i>Army Services:</i> refunds of previous years' expenditures, \$8,427,510.60; proceeds from sales of salvage, stores and properties, \$724,122.58; services (commission on pay phones, rents, labour), \$30,872.42; sundry revenue, \$279,248.12.....\$	9,461,753 72
<i>Naval Services:</i> refunds of previous years' expenditures, \$1,759,194.34; proceeds from sales of salvage, stores and properties, \$9,717.41; rents and commission on pay phones, \$3,484.75; sundry revenue, \$3,071.96.....	1,775,468 46
<i>Air Services:</i> refunds of previous years' expenditures, \$1,664,862.63; dependents' allowances and assigned pay recovered from the British Air Ministry, \$702,616.23; proceeds from sales of salvage, stores and properties, \$39,410.85; rents, \$3,879.54; sundry revenue, \$11,821.45.....	2,422,590 70
	\$13,659,812 88

Certified correct.

B. G. McINTYRE,
Comptroller of the Treasury.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

EXPENDITURES

In conformity with the terms of P.C. 6695, dated November 19, 1940, the Treasury Board approved the estimates of expenditures chargeable to the War Appropriation for 1941-42, and during the year allotted \$1,033,161,396.14 to the Department of National Defence.

Expenditures, together with the amounts of Treasury Board allotments and the unexpended balances at the fiscal year end, are summarized below:

	Treasury Board Allotments	Expenditures	Allotments Lapsed
General Services	12,485,269 47	8,396,060 23	4,089,209 24
Army Services	513,988 359 53	502,773,187 37	11,215,172 16
Naval Services	130,459,161 18	129,367,632 12	1,091,529 06
Air Services	376,228,605 96	370,648,735 99	5,579,869 97
	\$1,033,161,396 14	\$1,011,185,615 71	\$21,975,780 43

General Comments

These comments apply generally to all Department of National Defence Services. Additional comments and explanations relating particularly to items of expenditure are given hereinafter in the sections dealing with the expenditures for each of the Services.

Purchase of Material.—Aside from local purchase authority granted to various officials, the Department of Munitions and Supply either purchases all material or furnishes facilities to the Department of National Defence.

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

There are three main types of contracts let for the Department of National Defence:

- (1) Firm Price Contracts: usually let by competitive tender.
- (2) Ceiling Price Contracts: providing for possible reductions in prices, upon the determination of costs, limiting contractors to stated maximum percentages of profits or to "fair and reasonable" profits.
- (3) Cost-Plus Contracts: in which the contractors usually receive cost, plus either a fixed amount or a fixed percentage on cost.

Examination of Contractor's Accounts.—P.C. 153 of January 9, 1942, provides "that in the case of any contract heretofore or hereafter entered into by the Minister of Munitions and Supply, in the name of or on behalf of His Majesty, in which a price is specified for the work or material to be performed or supplied thereunder (whether or not such price is referred to as a 'ceiling' price) but which contains provisions to the effect that an audit may be made of the contractor's records as to the costs incurred in carrying out the contract, and that based upon the facts disclosed by such an audit as to the amount of the contractor's profit under such contract the price may be adjusted downwards, the said Minister shall not be obligated or required to cause such an audit to be made unless he shall determine that in view of the particular circumstances, the making of such audit is necessary or is required in the public interest." The order in council provides further that this "shall not extend or be applicable to a contract under which the contractor is entitled to payment on the basis of the costs incurred in carrying out such contract plus a specified fee or rate of profit (hereinafter in this paragraph called a 'cost-plus' contract) or to a contract the terms of which expressly require that an audit be made; provided, however, that a contract shall not be deemed to be a cost-plus contract or to require an audit to be made by reason only of the fact that such contract may provide that an audit may be made and that, if so made, the price specified in such contract may be reduced or otherwise adjusted."

The examination of sub-contractor's records is provided for in Orders in Council P.C. 9159 of November 26, 1941, and Amendments thereto, and P.C. 455 of January 21, 1942. The provisions of these Orders in Council are given in the Department of Munitions and Supply War Expenditures Section of this report.

Examinations of contractors' books are made, at the instance of the Minister of Munitions and Supply, by the Cost Accounting Section of the Controller of the Treasury. Reports submitted by this Section, together with the settlements arranged by the negotiating officers of the Department of Munitions and Supply, are reviewed in this office. Such examinations and reviews have resulted in recoveries and savings to the Government.

Certain contractors have voluntarily refunded amounts estimated by them to cover excess profits. At the end of the year, some of these refunds are held in "suspense" pending determination of the full amount of the excess profits and their allocation to the services affected.

Ceiling Price Contracts.—This type of contract is the most common among the special types employed and, as previously explained, may provide either for the limitation of profits to a specified maximum percentage or to fair and reasonable profits.

In the case of ceiling price contracts limiting the contractors to specified rates of profit, audit reports submitted by the Cost Accounting Section set out the costs, the profit at the rate stated in the contract and the amount of any refund due to the Government. The Department of Munitions and Supply then arranges for the refund of any excess profits so reported.

Some contracts limiting the contractors to specified rates of profit provide for the declaration of profits by the contractor and the rebate of any in excess of stated rate, but where it is decided to provide contingently for a Government examination of the contractor's books, the following audit clause (effective February 18, 1942, by amendment of Instruction Letter No. 29, Department of Munitions and Supply) is employed:

"It is understood and agreed that the price quoted in this order is a 'ceiling price' and is subject to adjustment as hereinafter provided.

You agree to keep such records with respect to this order as are required by Costing Memorandum Form M. & S. 433 attached hereto, and that such records may be audited by a Government Auditor if the Minister of Munitions and Supply shall deem it advisable that such audit be made.

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

It is understood and agreed that if such an audit should be made and should disclose that the profit accruing to you on this order is in excess of per cent on your actual cost determined as aforesaid, the price herein quoted shall be adjusted downward so that the profit on this order shall be not more than per cent on such actual cost, and that if any payment shall have been made hereunder before the making of such audit and any price adjustment based thereon, the amount (if any) overpaid to you will be repaid by you upon demand, or, at the option of the Minister, may be deducted from any amounts thereafter becoming payable to you under this order or from any other moneys payable to you by His Majesty."

Other ceiling price contracts limit the contractors to fair and reasonable profits, and audit reports submitted by the Cost Accounting Section merely set out the costs and the profits realized, since the determination of what is fair and reasonable is an administrative function and not one resting on the Cost Accounting Section.

Some contracts in this class provide that the profits determined as a result of cost audits are subject to the approval of the Governor General in Council. Others provide for the determination of a fair and reasonable profit by the Minister of Munitions and Supply, in which case either of the following two audit clauses (effective February 18, 1942, by amendment of Instruction Letter No. 29, Department of Munitions and Supply) is employed:

- (1) It is understood and agreed that the price quoted in this order is a "ceiling price" and is subject to adjustment as hereinafter provided.

You agree to keep such records with respect to this order as are required by Costing Memorandum Form M. & S. 433 attached hereto, and that such records may be audited by a Government Auditor if the Minister of Munitions and Supply shall deem it advisable that such audit be made.

It is understood and agreed that if such an audit should be made and should disclose that the profit accruing to you on this order is in excess of a fair and reasonable profit, the price herein quoted shall be adjusted downward so that the profit on this order shall be such as is, in the opinion of the Minister, a fair and reasonable profit,

- (2) It is understood and agreed that the price quoted in your tender of which this document is an acceptance is a "ceiling price" and that such "ceiling price" is estimated by you to contain not more than a fair and reasonable profit. You agree that you will keep sufficient and adequate records of the cost of this work so that such cost may from time to time be determined in accordance with the provisions of the Department of Munitions and Supply Form M. & S. 433 entitled "Costing Memorandum" and that such records may at any time and from time to time be audited by a Government Auditor to ascertain the actual cost of the work then performed for this order. Such audit or audits shall be made at any time or times at the discretion of the Minister, but not later than four (4) months after the Company has notified the Minister that the said records of the work then completed are sufficiently complete to enable the cost of the said work to be determined. Provided that if the said records are complete as aforesaid and any such audit be not made within four (4) months after notification as aforesaid, the Minister agrees to accept the certificate of the auditors of the Company as to the actual cost; determined as aforesaid, of any such completed work.

It is further understood and agreed that the right to make the audit hereinbefore referred to shall be in addition to any rights of His Majesty and does not limit and shall not be taken to be a limitation of any right of His Majesty to make an audit of the Company's books which may now or hereafter exist otherwise than hereunder nor shall the acceptance of the certificate of the auditors of the Company as above provided in any way limit the right of His Majesty to make an audit of the Company's books under any authority other than this provision.

It is further understood and agreed that, if such audit should establish that the profit accruing to you on this order is in the opinion of the Minister in excess of a fair and reasonable profit, the said quoted price shall be adjusted downward so that the said profit shall be, in the opinion of the Minister, fair and reasonable.

This audit clause then continues with provision for arbitration if the Company should not consider the profit as so determined by the Minister, fair and reasonable.

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A review of settlements arranged under contracts limiting the contractors to fair and reasonable profits revealed that in the majority of cases profits of 5 per cent or slightly more were allowed. On some contracts, however, profits in excess of these rates were observed.

Firm Price Contracts.—In contracts of this class, the effect of competition is presumed to provide a check against excessive profits accruing to a contractor. Instances presented themselves where it was possible to compare the results of firm price contracts with costs, as disclosed by cost audits made under the provisions of ceiling price contracts, and, in some cases, the comparison indicated that the firm price procedure may have resulted in an excessive profit being made by the contractor concerned.

Cost-Plus Contracts.—This type of contract is used mainly for construction work and to some extent in the acquisition of equipment (for instance, in the manufacture of aircraft) and in the overhaul and repair of ships and aircraft. Since overhaul and repair agreements relate particularly to the Navy and Air Force, this type is dealt with hereinafter in the Navy and Air Force sections of this report.

In the majority of construction contracts where the contractor is to receive the cost of performing the work plus a profit, the elements of cost are defined and a fee is usually fixed "to cover the entire profit of the Contractor and the necessary services of all executive officers of the Contractor, and also all overhead expenses of the Contractor at its head office and at any regularly established branch office, including, but without limiting the generality of the foregoing, services of the purchasing, accounting, estimating and contract departments at such head office or regularly established branch office." The cost of the work as defined usually includes provision for "such other items of cost as shall be properly and reasonably incurred by the Contractor solely for the purposes of the work, provided that any such item must be approved by the Director of Construction of the Department of Munitions and Supply."

The provisions in cost-plus construction contracts vary to some extent in respect to examination of contractors' books. Some provide that records relating to the performance of the contract "shall be open to inspection from time to time by an authorized representative of His Majesty, who may make copies thereof or take extracts therefrom, and the Contractor shall afford all facilities for such inspection and give all information required therefor;" and in addition, that "payments shall be made only on the production and delivery by the Contractor to the Minister of a certificate in writing signed by the Engineer and, if required by the Minister, by a Cost Accountant appointed or approved by the Minister, certifying the amount to which the Contractor is entitled as aforesaid." Some contracts do not provide that the records of the contractor be open for inspection from time to time, but do provide for the certificate of a Cost Accountant if required by the Minister, as in the foregoing quotation. The only provision contained in some contracts regarding the verification of costs is the requirement that "the Contractor shall furnish to the Minister a certified statement of the cost of the work (as hereinbefore defined) for the preceding period, such statement to include the duplicates of all payrolls, vouchers and invoices and such other information as the Minister may require and thereupon, if such statement is satisfactory to the Minister, the Contractor will be paid the amount which may be due. . . . Payments shall be made only on the production and delivery by the Contractor to the Minister of a certificate in writing signed by the Engineer certifying the amount to which the Contractor is entitled as aforesaid. The Contractor shall, when making his third and succeeding requisitions for payments, furnish to the Engineer satisfactory evidence supported by Statutory Declaration, establishing payment by the Contractor of the items listed in the second preceding requisition and such other information as the Minister may require. The final payment shall not become due until the Engineer shall have issued a certificate that such payment is due nor until the Contractor shall have produced satisfactory proof that no lien does or can exist against the work." Although specific provision for the examination of Contractor's books has been omitted in some contracts, Treasury cost accountants have not been refused access to them.

A form of cost-plus agreement for the purchase of equipment is found in a contract for the manufacture of aircraft authorized by P.C. 5882 of August 2, 1941, in which the Contractor is paid the costs as defined in the Costing Memorandum Form 433, Department of Munitions and Supply, and an additional amount by way of profit. To arrive at the amount of profit payable to the contractor, provision is made for a "target price" based

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on the cost of production of the last lot manufactured under a previous contract, and, depending upon whether the costs of production are equal to, less than or more than the "target price," varying amounts of profit are allowable. There is also the provision for additional profit if the contractor manufactures and delivers more than a certain number of aircraft during any month, and for a reduction in profit if the contractor manufactures and delivers less than that number, provided that in no event would the profit be less than a specified sum.

In regard to verification of costs, this contract required "that all claims for such payments are made on forms to be supplied by the Chief Cost Accountant of the Department of Munitions and Supply and in conformity with such instructions as the Chief Cost Accountant may from time to time give and provided, further, that claims for such payments are accompanied by a certificate of the inspector stating that in his opinion any work for which payment is claimed has been performed and that any materials for which payment is claimed are suitable for the purposes of this contract and have been purchased in reasonable quantities and have been received. All progress payments hereinbefore mentioned shall be deemed to be interim only and, if upon any subsequent examination or verification of costs it shall appear that any payments theretofore made to the contractor for costs hereunder were in excess of the amounts to which the contractor was entitled, the amount of the overpayment shall be deducted from any further payments to which the contractor may from time to time be entitled under this contract or, at the option of the Minister, shall be refunded by the contractor and, if upon such subsequent examination or verification of the costs, it shall appear that any payments theretofore made were less than the amount to which the contractor was entitled, the amount of such underpayment of costs shall be added to any further payments as aforesaid."

Automotive Equipment Contracts.—A large portion of automotive equipment, including spare parts and accessories, is supplied by Chrysler Corporation of Canada, Ltd., Ford Motor Company of Canada, Ltd., and General Motors Products of Canada, Ltd.

Purchases from these companies are made under master agreements, dated August 20, 1941. These agreements were entered into in order to standardize the contract terms under which automotive equipment is produced.

Contracts are placed at ceiling prices but the contractors have, under date of January 11, 1941, entered into agreements with the Crown, whereby their profits on government contracts are restricted to a maximum of 5 per cent of cost.

These agreements covered the calendar year ending December 31, 1941, and are to continue from year to year thereafter unless terminated by mutual agreement.

A continuous audit of the costs of each contractor is being conducted by the Comptroller of the Treasury and when costs of production and the profits realized are determined, any profit in excess of 5 per cent is refunded.

Costs for the year 1941 have been determined for General Motors Products of Canada Ltd., and for the Ford Motor Company of Canada Ltd. Rebates of profits in excess of 5 per cent, amounting to \$265,296.65 and \$614,719.87 (exclusive of rebates for United Kingdom Government account), have been made by the two companies respectively, and are credited to the 1942-43 special war revenues of the Department of Munitions and Supply. If and when examinations are made into the costs of their sub-contractors, further refunds may possibly be forthcoming.

Arms and Ammunition Contracts.—In contracting for arms and ammunition, the practice in many cases is to utilize the facilities of several plants and machine shops in producing the component parts. An example of this is in the production of high explosive shells, where the contractor doing the machining receives the forgings, copper driving bands, transit plugs, base plates and shipping boxes from other contractors and government-owned companies. Components are in many cases financed by the Department of Munitions and Supply and supplied as "free issue" to the contractor.

The necessity of contracting in this manner has sometimes resulted in delay in billing the Department of National Defence, due chiefly to the difficulties in arriving at final unit costs and also to the fact that many contracts are entered into jointly with the United Kingdom Government. A "Munition Production Revolving Fund" has been created, under the provisions of P.C. 1/2084 of March 17, 1942, the operation of which, it is believed by administrative officials, may eliminate these difficulties.

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Payments to Contractors in the United States and to the United States Treasury.—The practice has been continued of making payments to suppliers in the United States in advance of the shipment of goods. At the close of the fiscal year, many payments remained unsupported by certified vouchers. Payments have also been made to the Treasurer of the United States, for which proper supporting vouchers have not been received. These were made on the strength of requests received through the Department of Munitions and Supply, for sums of money in payment of materials obtained from the United States Government. Arrangements have been made since the close of the fiscal year, whereby payments of this nature to the Treasurer of the United States are to be supported by certified vouchers in future.

Capital Assistance to Contractors.—The bulk of capital assistance to manufacturing concerns by way of advances for the construction and acquisition of plant and equipment is furnished by the Department of Munitions and Supply, but some capital assistance in the form of tools and machines has been furnished by the Department of National Defence.

During the year arrangement was made for the recording by the Central Inventory Records Division, Department of Munitions and Supply, of any tools and machines furnished to manufacturing concerns by the Department of National Defence, but a central record of such tools and machines supplied prior to that time has not been completed.

Cash Discounts.—There has been a marked improvement during the year in the taking of cash discounts on ordinary suppliers' accounts, but in the case of cost-plus construction contracts, cash discounts have not always been taken for the benefit of the Department.

Rehabilitation Grants.—Members of the Naval, Military or Air Forces of Canada who have served continuously on active service therein during the present war, for a period of not less than one hundred and eighty-three days, are entitled to, with certain exceptions, a rehabilitation grant equal to thirty days' pay plus married and/or dependents' allowance, upon discharge, retirement or ceasing to serve. The governing authority is P.C. 7521 of December 19, 1940, and amendments thereto.

Rehabilitation grants paid in the fiscal year amounted to \$899,252.97 for all Services. The amounts paid for each of the Services are shown in their respective sections hereunder.

Clothing Allowances on Discharge.—These allowances are paid to personnel upon discharge to provide them with civilian clothing. The allowance is \$35 if the member has served for six months or, if less than that time, \$27 or \$17, depending upon the time of year discharge takes place. They totalled \$416,107.61 for all Services.

Pay and Allowances of Canadian Prisoners of War.—Pay and allowances (other than deferred pay) accruing to Canadian prisoners of war, are not included in the expenditure reported herein. Since the close of the fiscal year, provision has been made to allow interest at three per cent on the accumulated balances in the pay accounts.

Ocean Transportation, Financial Arrangements.—Arrangements were made early in this war whereby the British Admiralty furnished vessels for the transportation of Canadian armed forces overseas on a charter basis; Canada paying all costs during the period of charter, less any freight and passenger revenue. This arrangement proved to be unsatisfactory and so it was proposed that the cost of ocean transportation be charged to Canada on a capitation rate basis. Although considerable progress has been made, final agreement to a rate had not been reached at the fiscal year end.

Maintenance of Armed Forces in United Kingdom.—Financial arrangements in connection with the cost of maintaining the Canadian Armed Forces in the United Kingdom have been the subject of much negotiation, but at the close of the fiscal year complete agreement had not been reached as to the bases of settlement for the maintenance of all of these Forces. Financial arrangements regarding maintenance costs are dealt with further under Army Services and Air Services expenditures.

Losses of Public Funds.—From time to time cases have come to light of losses of public funds advanced to Unit Paymasters. In some cases recoveries have been arranged at low rates of repayment, as evidenced by the case of an overseas officer, responsible for funds lost in the amount of £500 (\$2,235), with whom arrangement was made for the recovery of that amount at the rate of £3 per month.

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Examination of Stores Records.—Examinations into the stores records of the Army, Navy and Air Force are made by this office. The examinations of Army and Navy stores records are limited to certain of the main depots. A more complete examination is made of Air Force stores accounts (including station records as well as depot records) at the request of the Deputy Minister.

Personal Advances.—Section 32 (2) of the Consolidated Revenue and Audit Act provides that "Accountable advances to any person for any purpose, which remain unaccounted for at the termination of the fiscal year, shall be repaid or accounted for within fifteen days thereafter. The Treasury Board, having regard to the special circumstances of any particular case, may, on the recommendation of the Comptroller, set a later date for such settlement, but in no case shall such later date be beyond sixty days after the termination of the fiscal year."

There were observed instances where travelling advances, outstanding for unreasonably long periods, have not been accounted for within the time prescribed by the governing authority quoted above.

General.—Particulars of expenditure follow under the headings General Services, Army Services, Naval Services and Air Services.

With minor exception, expenditures on behalf of foreign governments are not given, such expenditure being reported under Comments on the Balance Sheet.

In addition to expenditures on works and buildings by the Department of National Defence, as reported hereunder, there are expenditures by the Department of Public Works, which include some construction and alteration work, the rentals for some premises, the operating costs of most office buildings, the supply of furniture for office buildings and the reimbursement of universities for accommodation provided by them for their contingents of the Canadian Officers Training Corps.

Appended to this report on the Department of National Defence are lists of civilian salaries, travelling expenses and amounts paid to contractors and suppliers.

General Services

Included under this heading are the costs of services of a special nature and services which do not pertain entirely to one of the three main services, i.e., Army, Naval or Air Services. Individual allotments of funds were made by the Treasury Board to the Department of National Defence (Army) for the services under this heading:

	Treasury Board Allotments	Expenditures	Allotments Lapsed
Departmental Administration	\$ 811,498 44	\$ 811,498 44	\$
Dependents' Allowance Board	407,175 15	407,175 15	
Dependents' Supplementary Grants	500,000 00	15,331 90	484,668 10
Censoring	247,266 00	230,751 78	16,514 22
Internment Operations	4,957,191 00	1,369,980 71	3,587,210 29
Northwest Territories and Yukon Radio System	168,170 00	167,353 37	816 63
Royal Military College	517,620 26	517,620 26	
Inspection Board, United Kingdom and Canada	4,876,348 62	4,876,348 62	
	<hr/> \$12,485,269 47	<hr/> \$8,396,060 23	<hr/> \$4,089,209 24

Departmental Administration.—These expenditures consist of the salaries, wages, military pay and allowances, travelling expenses, stationery and sundry administrative expenses of the Minister's office, including the Minister's military secretary, military assistant, private secretary and staff; the Deputy Minister's office and others associated therewith.

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Departmental Administration expenditures, which totalled \$811,498.44, are detailed as follows:

Salaries and Wages	630,576 58
Pay and Allowances of military personnel	56,758 44
Travelling Expenses	31,035 16
Printing, Stationery and Office Furniture	54,586 66
Sundries, including: postage, telephone and telegraph, \$28,285.14, and Minister's railway car expenses, \$6,430.14	38,541 60
	<hr/>
	\$ 811,498 44
	<hr/>

Dependents' Allowance Board.—The Dependents' Allowance Board consists of a civilian chairman, two service representatives from the Army, two from the Air Force and one from the Navy. It is responsible for the administration and issue of certain dependents' allowances but not for Navy Marriage Allowances nor Married Allowances in respect of Army and Air Force personnel who are on Permanent Force rates of pay.

The expenses of the Dependents' Allowance Board amounted to \$407,175.15 for 1941-42, particulars of which follow:

Remuneration of Board Members and District Representatives	42,107 59
Staff Salaries	312,148 59
Investigation by Soldiers' Settlement Board	22,140 79
Travelling Expenses	2,672 63
Printing, Stationery and Office Furniture	21,583 08
Sundries	6,522 47
	<hr/>
	\$ 407,175 15
	<hr/>

Particulars of dependents' allowances issued are shown under Army, Naval and Air Services expenditures, but for convenience the amounts of overpayments of dependents' allowances are given hereunder since the figures combine Army and Air Force charges.

Overpayments of Dependents' Allowances at the fiscal year end amounted to \$166,999.04. These are due to adjustments or cancellations in cases where it was disclosed that recipients were not entitled to the allowances issued. The above amount is made up of: \$25,588.10 in overpayments that have been ruled non-recoverable by the Board usually for the reason that there was no wilful misrepresentation or fraud on the part of the applicant; \$70,112.35 in amounts that are being recovered by means of monthly deductions from persons still in receipt of dependents' allowance or assigned pay; and \$71,298.59 in amounts, for the present considered recoverable, due from persons who are not now in receipt of dependents' allowance or assigned pay.

Dependents' Supplementary Grants.—During the year the Dependents' Supplementary Grants Fund was created to provide for grants and special assistance to dependents, supplementary to allowances provided for under the ordinary dependents' allowance regulations administered by the Dependents' Allowance Board and other divisions of the Department of National Defence. Moneys for this fund are allotted from the War Appropriation, and the accounting is done and disbursements are made by the Comptroller of the Treasury.

Grants and special assistance may be paid from this fund only to, or on behalf of, the dependents of ratings in the Navy and to soldiers and airmen below the rank of warrant officer Class 1, to prevent hardships arising because of unusual circumstances or to relieve misfortune and meet domestic emergencies, including serious illness of a member of the family, or to assist a mother whose dependents' allowance has been reduced by reason of the prior claim of more immediate dependents of the son.

A Board of Trustees, consisting of a chairman and eight members, administers the issue of these grants and special assistance.

Local and regional advisory committees advise the Board of Trustees on local conditions, receive applications for assistance, arrange for investigation and, in cases of emergency, authorize the issue of temporary grants or special assistance.

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Disbursements from the Dependents' Supplementary Grants Fund are detailed below under the two headings: (1) Administrative Expenses, and (2) Grants and Assistance.

Administrative expenses include the Chairman's per diem allowance and travelling expenses, the living allowance of the Chairman's special assistant, the out-of-pocket expenses of members of the Board and advisory committees, staff salaries, investigation and general operating expenses of the Fund. Members of the Board of Trustees and of local and regional advisory committees serve without remuneration.

Under Grants and Assistance are shown the amounts of relief disbursed on behalf of Naval, Army and Air Force service personnel. A distinction is made thereunder, between "recurring" and "non-recurring" payments. "Recurring" payments are continuous supplementary grants, the authority for the issue of which rests with the Board of Trustees at Ottawa. "Non-recurring" payments consist of grants to meet exigencies such as illness, accident, death, loss by fire and other necessitous conditions.

Expenditures, from the inception of this fund in January, 1942, to the end of the fiscal year, are as follows:

Administrative Expenses:

Salaries and Wages	\$ 5,625 81	
Investigation Fees and Expenses	60 65	
Travelling Expenses of Members of the Board, Advisory Committees and Employees	3,280 66	
Printing, Stationery and Office Furniture	2,526 48	
Sundries	279 87	
		<u>\$11,773 47</u>

Grants and Assistance:

to dependents of Naval Personnel:

non-recurring payments\$ 87 50

to dependents of Army Personnel:

recurring payments\$ 559 50

non-recurring payments 2,658 47

3,217 97

to dependents of Air Force Personnel:

recurring payments\$ 20 00

non-recurring payments 232 96

252 96

3,558 43

\$15,331 90

Censorship.—Expenses of the Department of National Defence in connection with the censoring of cable, telegraph, telephone and trans-oceanic radio communications, amounted to \$230,751.78 for the fiscal year, as detailed hereunder:

Salaries and Wages (the Salaries of the Chief Cable Censor and his subordinates, other than clerical staff, range from \$7 to \$13 per day. These rates were authorized by P.C. 2549 of September 5, 1939)	200,641 23
Sundries, including: stores and supplies, travelling expenses, postage, telephone and telegraph, etc.	30,110 55
	<u>\$ 230,751 78</u>

Internment Operations.—The greater part of disbursements for the establishment, maintenance and administration of internment camps has been charged to the United Kingdom Government, being in respect of prisoners of war and internees from Britain. Disbursements charged to the United Kingdom Government totalled \$3,791,054.96 in the fiscal year, and expenditure borne by the Canadian Government amounted to \$1,369,980.71. By agreement, Canada bears the cost of all military guards posted to internment camps.

Northwest Territories and Yukon Radio System.—This system comprises several stations operated commercially by the Royal Canadian Signals, in Saskatchewan, Alberta, the Northwest Territories and the Yukon.

Revenue from this system, amounting to \$29,946.21 for the fiscal year, is reported under the "ordinary" revenues of the Department not accruing to the War Appropriation.

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Expenditures in connection with the administration, training of personnel, maintenance and operation of the system, amounted to \$167,353.37.

Royal Military College.—Due to war conditions, the cadet classes of the Royal Military College have been progressively reduced and the accommodation and facilities thus made available have been employed for the purpose of special war courses in the training of Army Officers. In December, 1941, notice was given that no more classes of gentlemen cadets would be entered until the cessation of hostilities.

Normally, courses for cadets consisted of four annual terms for which the annual fee was \$100 (excluding charges to cover the cost of uniforms, books, instruments, laundry, extra messing and other incidental expenses). The fees for 1941-42, which amounted to \$8,000, are reported under the "ordinary" revenues of the Department.

Expenditures amounted to \$517,620.26 for the fiscal year, details of which are:

Salaries, including the civilian teaching staff, laboratory assistants, messengers, cleaners, cooks and heating staff	121,163 56
Pay and Allowances of Military Personnel, including cadet messing allowances	273,931 47
Transportation	17,474 37
Operating Expenses of Properties (fuel, light, power, etc.)	36,595 80
Construction and Repairs	33,370 43
Stores and Supplies, including \$13,561.67 for printing, stationery and office furniture	32,813 38
Sundries	2,271 25
	<hr/>
	\$ 517,620 26
	<hr/>

Inspection Board, United Kingdom and Canada.—Inspection costs for 1941-42 amounted to \$4,876,348.62, including a provisional payment to the Inspection Board in the amount of \$4,838,800, covering the calendar year 1941 and the first quarter of 1942, and \$37,548.62 in direct expenditures, paying obligations incurred prior to January 1, 1941.

The inspection of stores, formerly the work of the Chief Inspector of Arms and Ammunition, was taken over by the Inspection Board, United Kingdom and Canada, on January 1, 1941.

The agreement of November 6, 1940, with the United Kingdom Government provided for the determination of the Board's running costs from cost records to be kept for each type of stores, but by subsequent agreement, a new base was selected and, at the close of the fiscal year 1941-42, the Board arrived at an apportionment of running costs, in respect of inspections in Canada, by dividing the costs in proportion to the value of stores produced for the respective Governments. The Board determined, by this method, that 30.9 per cent of the running costs would be borne by Canada for the calendar year 1941 and proposes applying this rate through 1942 with revision at the close of that year.

The running costs and the capital costs of the Board had not, at the close of the fiscal year, been determined for 1941 or for the first quarter of 1942, and no claim was received for Canada's 50 per cent share of capital costs.

Costs of inspections in the United States were not included in the above mentioned provisional settlement of \$4,838,800, and consequently a claim in respect of these inspections may be anticipated.

Army Services

Expenditures for the Army amounted to \$502,773,187.37 for the fiscal year. Details follow under the two main headings "Army Maintenance and Administration" and "Works and Buildings". Expenditures under these two headings amount to \$461,537,443.68 and \$41,235,743.69, respectively.

Financial Adjustments with the United Kingdom Government.—Complete agreement for the settlement of costs incurred by the United Kingdom Government in respect of the Canadian Army in the United Kingdom and for the apportionment of costs of joint projects in Canada had not been reached at the close of the fiscal year. Arrangements in respect of some services are clearly established, however, and progress towards the establishment of satisfactory bases for the assessment of costs of others was made during the year.

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Generally, the financial arrangements in respect of the Canadian Army overseas require all costs in connection therewith to be borne by Canada. Originally, it had been agreed that financial adjustment in respect of expenditure incurred by the United Kingdom Government on behalf of Canadian troops before such troops embarked from the United Kingdom for the field, would be on a basis of actual expenditure wherever possible. In 1940 the War Office proposed that a capitation rate or rates be employed in making financial adjustments and since that time negotiation has taken place to establish such rates. Progress payments totalling \$69,385,424.65 in this and the preceding fiscal year have been made to the United Kingdom Government and are detailed in the expenditure hereinafter reported.

Canadian Ancillary Troops in the United Kingdom: The division of costs in respect of these troops as from September 1, 1940, is as follows:—

Canada is responsible for: pay and allowances, rations, barrack accommodation, barrack stores, barrack services, transportation to the United Kingdom, initial issues of clothing and personal equipment, hospitalization, postage and miscellaneous expenses, unit equipment in possession September 1, 1940, at a value agreed upon.

The United Kingdom is responsible for (until the units revert to the Canadian Higher Command): official transportation in the United Kingdom, replacements of clothing and personal equipment, fuel, gasoline, oil and ammunition. Canada is not prevented from supplying replacements of arms and equipment, and in the case of an exchange of articles (article for article or their equivalent in different kinds) the United Kingdom cost governs, except in respect of Canadian manufactures not produced in the United Kingdom.

Canadian Forestry Units in the United Kingdom: By mutual agreement the Canadian Government is charged with the expenditures for pay and allowances, pensions, transportation to and from the United Kingdom, initial personal equipment, stationery, postage and telephones. The United Kingdom Government absorbs all other costs connected with equipment, work or maintenance.

Mechanical Transport Spare Parts: The United Kingdom assumed responsibility for the provision of spare parts as of April 21, 1941, and it is proposed that Canadian stocks of spare parts on hand at that date or acquired subsequently be transferred to the United Kingdom Government.

Average Rates for Railway Freight and Travelling Warrants: With a view to reducing the clerical work involved in the preparation and checking of transportation accounts based on weights, milages and classifications, etc., negotiations were entered into with the major railway companies in Britain and average rates were established for freight and passenger traffic.

Hospitalization: Rates per day have been set for treatment of Canadian military casualties in civil and emergency hospitals in the United Kingdom.

Joint United Kingdom and Canada Ordnance Depot: This depot, situated in Canada, is a joint undertaking for the purpose of receiving, assembling, issuing and shipping to the United Kingdom or any theatre of war, technical stores and vehicles manufactured in Canada and in the United States, for Canadian account, United Kingdom account, lend-lease or other accounts.

A basis for the division of capital costs had not been agreed upon at the close of the fiscal year but it is proposed that operating costs be prorated on the basis of tonnage shipped.

ARMY MAINTENANCE AND ADMINISTRATION

These expenditures represent the cost of keeping the Army complete in personnel, stores and supplies, and include: the pay and allowances of personnel; the transportation of personnel and material; the provision of arms, ammunition, vehicles, gasoline, clothing, food, etc.; administrative expenses such as printing and stationery, office furniture, postage, telephones and telegraph; summarized as follows:

Pay and Allowances	236,726,225 31
Salaries and Wages	3,631,301 66
Transportation	26,646,162 42
Stores and Supplies	191,598,597 67
Sundries	2,935,156 62

\$461,537,443 68

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Pay and Allowances, \$236,726,225.31.—This consists of the pay and allowances of Army personnel. It does not include, however, expenditures of this nature in respect of Departmental Administration, the Dependents' Allowance Board, Internment Operations and other divisions shown under General Services; nor does it include the cost of personnel employed in special establishments such as the Canadian Army Trades School and the R.C.O.C. Training Centre, all costs in connection with which are included in the Construction and Operating Costs of Special Establishments under Works and Buildings expenditures.

Active Army pay and allowances, \$228,195,418.80: These are in respect of all formations and units on active service or which have been embodied for continuous military service, including the Canadian Women's Army Corps and home defence members of the Army taken on strength after training, pursuant to the provisions of the National Resources Mobilization Act, 1940. Particulars of rates of pay and of the main allowances for the Active Army are given below.

Reserve Army pay and allowances, \$2,635,478.49: This amount, which includes pay of instructional personnel, is in respect of formations, units, or personnel who have undertaken a definite liability for service, other than the Active Army; but does not include authorized cadet corps and authorized rifle associations and clubs which supplement the Army. Expenditures in connection with such cadet corps and associations are "ordinary" expenditures not charged to the War Appropriation.

Standard rates of pay for the Reserve Army are the same as the minimum Permanent Force rates detailed below under Active Army Rates of Pay.

Extra pay rates are: Adjutants, 50c. a day; tradesmen and specialists, 10c. to \$1.50 a day extra, depending upon the nature of the services rendered. Field Allowances range from \$3 a day for Camp Commandants to 10c. a day for rank and file. Subsistence allowances (where rations are not provided during the period prior to arrival or following the departure of troops) are \$1.70 a day for officers and \$1 a day for other ranks.

Pay and allowances of Reserve Recruits called out under the provisions of the National Resources Mobilization Act, 1940, \$5,895,328.02: These pay and allowances, which include the pay of instructional personnel, cover the period of training and are at Active Army rates, subject to some restrictions and modifications.

Reserve Recruits are eligible for dependents' allowance, but those who reported for training prior to July 1, 1941, and who married on or after that date, may not make application in respect of such marriage until they have become members (home defence) of the Canadian Army immediately upon ceasing to be attached to a training centre and have obtained the consent of their commanding officers.

Prior to March 12, 1942, Reserve Recruits were not entitled, upon discharge, to civilian clothing allowance and, in determining the eligibility of a member for rehabilitation grant, the time served as a Reserve Recruit was not taken into account. Amendment of the Reserve Army (Special) Regulations, approved by P.C. 1916 of the above mentioned date, provided for the issue of civilian clothing allowance to Reserve Recruits upon discharge, at the same rates and under the same conditions prescribed for the Active Army, and for the taking into account of time served as a Reserve Recruit in determining the eligibility of a member for rehabilitation grant.

A subsistence allowance of 50c. per meal and a lodging allowance of \$1.25 for each night's accommodation are paid to reserve recruits while en route to a training centre or district depot, and also for the return journey. The Department of National Defence bears only the cost of return journey allowances. Allowances for the inward journey are charged to the Department of National War Services.

Active Army Rates of Pay: Staff rates of pay for classified appointments of officers range from \$6 to \$24 a day. Per diem rates of standard pay, tradesmen's pay and medical officers' pay, are set out below. In addition to these rates, officers in command of units of 500 or more men receive \$1 a day extra and adjutants and officers attached to Headquarters' staff receive 50c. extra. Per diem subsistence allowances, in lieu of quarters and rations, are \$1.70 for officers, except officers on staff rates who receive \$1 a day, and \$1 a day for other ranks. Increased subsistence allowances are authorized for overseas service.

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Rank	Standard pay	Tradesmen's pay	Medical officers
Colonel	\$12 00	.....	\$12 50
Lieutenant-Colonel	10 00	.....	11 00
Major	7 75	.....	9 25
Captain	6 50	.....	7 50
Lieutenant	5 00	.....	5 00
2nd Lieutenant	4 25	.....	.....
Regimental Sergeant-Major	4 20	\$4 45-\$4 95	.....
Warrant Officer, Class 1	3 90 to 4 20	4 15- 4 95	.....
Regimental Q.M.S.	3 10	3 35- 3 85	.....
Staff Q.M.S.	3 10	3 35- 3 85	.....
Q.M. Sergeant	3 10	3 35- 3 85	.....
Company Sergeant-Major	3 00	3 25- 3 75	.....
Warrant Officer, Class 3	2 75	3 00- 3 50	.....
Company Q.M. Sergeant	2 50	2 75- 3 25	.....
Staff Sergeant	2 50	2 75- 3 25	.....
Sergeant	2 20	2 45- 2 95	.....
Lance Sergeant	1 90	2 15- 2 65	.....
Corporal or Bombardier	1 70	1 95- 2 45	.....
Lance Corporal or Lance Bombardier	1 50	1 75- 2 25	.....
Private, Gunner, etc.	1 30	1 55- 2 05	.....

Permanent Force personnel have the option of remaining under Permanent Force (pre-war) rates of pay. Per diem rates of pay were: Colonel, \$9.20 to \$10; Lieutenant-Colonel, \$7.70 to \$8.50; Major, \$6.50 to \$7.30; Captain, \$5.20 to \$6; Lieutenant, \$3.60 to \$5.20; Second Lieutenant, \$3; Warrant Officers, Class 1, \$3.40 to \$3.90; Regimental Q.M.S., \$2.80 to \$3; Staff Q.M.S., \$2.80 to \$3; Q.M. Sergeant, \$2.80 to \$3; Company Sgt.-Major, \$2.50 to \$3; Company Q.M.S., \$2.20 to \$2.40; Staff Sergeant, \$2.20 to \$2.40; Sergeant, \$1.90 to \$2.10; Lance Sergeant, Corporal or Bombardier, \$1.60 to \$1.80; Lance Corporal or Lance Bombardier, \$1.40 to \$1.60; Private, \$1.20 to \$1.40; Boy, 60c.

Rates of pay of Permanent Force medical officers were 80c. more than regimental rates for Colonels and Lieutenant-Colonels, and 50c. more for other commissioned ranks.

Permanent Force additional pay: Headquarters Staff (paid at regimental rates) and other officers performing instructional or technical duties, 30c. a day; tradesmen's clerical or proficiency pay, from 5c. to 40c. a day.

Permanent Force allowances in lieu of subsistence, etc., including married allowance, ranged from \$1.10 to \$5.60 a day, dependent upon the rank and marital status of the recipient and the extent of maintenance provided in kind.

Canadian Women's Army Corps: Per diem regimental rates of pay are: Chief Commander, \$6.70; Senior Commander, \$5.20; Junior Commander, \$4.35; Subaltern, \$3.35; 2nd Subaltern, \$2.85; Sergeant Major (W.O. 1), \$2.80; Company Sergeant-Major (W.O. 2), \$2.10; Staff Sergeant, \$1.70; Sergeant, \$1.50; Corporal, \$1.15; Lance Corporal, \$1; Volunteer (classified) 95c; Recruit and Volunteer on enrollment, 90c.

Allowances for quarters and rations when not provided in kind are: officers, \$1.20 a day for quarters and 50c. for rations; other ranks, 50c. a day for quarters and 50c. for rations.

Assigned Pay, \$56,533,898.67: A soldier, on whose account dependents' allowance is issuable, must assign a portion of his pay each month, as set out hereunder, for the benefit of his dependents. An officer is not required to assign pay to his wife or children, but must assign five days pay of rank if dependents' allowance is issuable to a parent, brother or sister. In addition to these assignments an officer or soldier may assign pay for certain specified purposes. The maximum amount assignable each month is twenty days pay of rank and tradesmen's pay.

The following amounts are deemed to be fifteen days pay of rank, which is required to be assigned each month for the benefit of a wife or of children, or, if a soldier has no wife or children, for the benefit of a dependent parent, brother or sister to whom a dependents' allowance is issuable: Warrant Officer Class 1, \$60; Warrant Officer Class 2, \$45; Warrant Officer, Class 3, \$40; Staff Sergeant and Sergeant, \$35; ranks below Sergeant, \$20; Boy, \$10. If dependents' allowance is issuable to a parent, brother or sister, as well as to a wife or to children, an additional five days pay of rank must be assigned.

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Deferred Pay, Overseas: Fifty per cent of the daily rate of pay is withheld from those soldiers who have not made assignments, and from those whose assignments are less than 50 per cent, the difference between their assignments and 50 per cent of their pay is withheld. The deferments commence from the first of the month following the date of departure from Canada and are held in trust, to be paid to the soldiers upon discharge or upon appointment to commissioned rank. Interest at 3 per cent per annum is allowed on deferred pay, calculated on minimum monthly balances semi-annually.

Dependents' Allowances, \$64,853,209.76: These include only the allowances administered by the Dependents' Allowance Board. Permanent Force married allowances are included with the pay of personnel on permanent rates, mention of which is made under Active Army Rates of Pay. Supplementary allowances paid from the Dependents' Supplementary Grants Fund are shown under General Services.

Awards by the Dependents' Allowance Board were in such amounts as the Board decided, not exceeding the following maximum monthly allowances:

(a) For a wife or a dependent female relative responsible for the care of the dependent children of: Officers above the rank of Major, \$60; Majors, \$55; Captains, \$50; Lieutenants and 2nd Lieutenants, \$45; Warrant Officers Class 1, \$40; all other ranks, \$35.

(b) For a dependent son under sixteen years of age, a dependent daughter under seventeen years of age, or for a dependent son or daughter who, owing to physical or mental infirmity, is unable to provide his or her own maintenance (provided that allowances to sons or daughters of ranks below that of Warrant Officer Class 1 may be continued to the nineteenth birthday to assist in completing a course of instruction approved by the board): \$12 for the first such dependent, \$12 for the second, \$9 and \$6 for the third and fourth children, respectively, of a soldier below the rank of Warrant Officer Class 1, provided that, where there is no wife nor a dependent female relative responsible for the care of the children, the board may award up to \$20 for each such child, not exceeding in total \$50 for three children or \$60 for four.

(c) For a dependent parent or foster parent, a dependent brother under sixteen years of age or sister under seventeen years of age, a dependent brother or sister who, prior to the applicant's enlistment was a member of his household and owing to physical or mental infirmity is unable to provide his or her own maintenance and is solely supported by the applicant, a divorced wife, if the applicant is under a legal obligation to contribute to her support; \$30 in respect of such dependents of officers above the rank of Major, \$25 in respect of dependents of all other commissioned officers, and \$20 in respect of dependents of Warrant Officers and other ranks, provided that when need exists the Board may award supplementary allowances not exceeding \$5 per month to mothers of soldiers below the rank of Warrant Officer Class 1.

Civilian Clothing on Discharge, \$370,992.19: This allowance is explained in the General Comments applicable to all Services.

Rehabilitation Grants, \$762,075.43: An explanation of the Rehabilitation Grant is given under General Comments applicable to all Services.

Outfit Allowances, \$1,388,724.86: Each Officer, Nursing Sister and Warrant Officer Class 1, is entitled to receive an allowance for the purchase of uniform and equipment when placed on active service.

In the case of an Officer or Nursing Sister, the amount of such allowance is \$150; for a Warrant Officer, Class 1, \$100. Lesser amounts for Nursing Sisters and Warrant Officers may be granted when their length of service is less than one year. On transfer to or from a Highland unit, an Officer is entitled to receive an additional allowance ranging from \$60 to \$75 according to specified circumstances.

Salaries and Wages, \$3,631,301.66.—These are the salaries and wages of civilians employed by Army Services, including: surveyors and engineers employed by the Engineer Services; clerks and stenographers in Army offices and Ordnance depots; caretakers, firemen and others employed at Army properties. As previously mentioned, however, the salaries and wages of personnel employed in the special establishments shown under Works and Buildings Expenditures are not included.

Salaries of \$2,400 or over are listed at the end of this report on the Department of National Defence War Appropriation.

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Transportation, \$26,646,162.42.—This amount is the total of transportation expenses in connection with the movement of personnel, stores and supplies at home and abroad. Transportation expenses of the Reserve Army and of Reserve Recruits called out under the provisions of the National Resources Mobilization Act amounted to \$153,984.39 and \$296,082.04, respectively. Payments to the United Kingdom Government on account of transportation costs in connection with the Canadian Army overseas amounted to \$731,280.39 in the fiscal year, which with payments made in the previous fiscal year make a total of \$3,636,780.39 paid on account, pending final agreement to rates.

The travelling expenses of civilians are listed at the end of this report on the Department of National Defence War Appropriation.

Stores and Supplies, \$191,598,597.67.—This is the total sum expended in the purchase and maintenance of Army stores and supplies which include: arms, ammunition, engineer and signal stores, vehicles, clothing, personnel equipment, barrack and camp equipment, laundry, medical and dental stores, printing and stationery, food, gasoline and oil. In view of their vital nature, the amounts expended on the various types of stores and supplies are not detailed, but payments to suppliers are listed at the end of the Department of National Defence section.

Army Salvage and Disposal Board Expenses: The expenses of this Board, which are included in the expenditure on Stores and Supplies, amounted to \$1,559.68 in the fiscal year. This Board deals with disposal stores and with stores which have been converted to salvage material.

Payments to the United Kingdom Government: Payments on account, to the United Kingdom Government, for stores and supplies issued to Canadian troops overseas, amounted to \$35,239,048.27 in the fiscal year. These and payments made in the previous fiscal year make a total of \$58,081,716.56 paid on account pending agreement on capitation rates.

Canadian Pacific Railway Company Tank Contract: In the 1940-41 report, reference was made to an item of \$4,084,517.25 for "advance payments pending receipt of certified invoices" in connection with the production of tanks by the Canadian Pacific Railway Company. During 1941-42 the United Kingdom Government undertook all financing incidental to the production of tanks under this contract. Reimbursement of advance payments made by the Canadian Government, less a provisional deduction for Canadian account deliveries, has been effected.

Sundries, \$2,935,156.62.—The main items included in this amount are: telephone, telegraph and postage, \$674,157.51; medical fees and hospitalization, \$611,531.71; recruiting campaign expenses and advertising, \$422,904.03; compensation for damages to property and persons, \$261,262.89; research work at Ottawa, \$96,489.35; funeral expenses, burial plots and headstones, \$41,806.77; expenses of the Directorate of Public Relations, \$38,373.78; intelligence services, including subscriptions, books and maps, \$24,671.47; professional fees, \$19,108.65; contributions to the retired pay and pensions of British personnel on loan, \$11,275.71; medals, decorations and engraving, \$10,489.82; sundry payments on account, to the United Kingdom Government, \$34,851.27.

ARMY WORKS AND BUILDINGS

Reported under this heading are expenditures in connection with the construction, maintenance, rental and operation of Army works and buildings.

The Director of Engineer Services is responsible for the design, construction and maintenance of works and buildings. The Director of Supplies and Transport is responsible for the provision of fuel, light and power, disinfectants, etc., and in certain cases, the rental of buildings.

Works and Buildings expenditures are reported below under two headings: (1) Construction and Operating Costs of Special Establishments, which amounted to \$5,456,467.75, and (2) General Works and Buildings, the construction, repair and operation of which cost \$35,779,275.94. Customary peacetime details of projects are omitted in view of their military importance, but payments to suppliers and contractors are listed at the end of the Department of National Defence report.

Construction and Operating Costs of Special Establishments, \$5,456,467.75.—Charged in these costs are all operating expenses, including administration and other costs which ordinarily would be shown as expenditure under Army Maintenance and Administration rather than as Works and Buildings expenditure. A classification of expenditure for the main establishments follows:

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Canadian Army Trades School: Expenditures amounted to \$2,638,159.47, including: Construction and Repairs, \$1,287,741.46; Stores and Supplies, \$614,499.08; Pay and Allowances, \$639,448.43.

R.C.O.C. Training Centre: Expenditures amounted to \$786,633.27, the main items being: Pay and Allowances, \$587,299.02; Salaries and Wages, \$64,316.02; Stores and Supplies, \$77,829.46; Construction and Repairs (by contract), \$46,245.77.

Central Mechanization Depot: Total costs were \$516,696.33, including: Construction and Repairs (by contract), \$334,892.42; Stores and Supplies, \$98,839.49; Salaries and Wages, \$57,586.10.

Mechanics' Training Centre: Expenditures totalled \$316,584.73, including: Tuition Fees, \$143,136.29; Stores and Supplies, \$106,744.87; Salaries and Wages, \$51,503.03.

General Works and Buildings, \$35,779,275.94.—These expenditures are in connection with rifle ranges, barracks, ordnance buildings, drill halls, camps, lands and fortifications, and are classified as follows:

Construction and Repairs: These costs totalled \$24,378,283.43, including \$13,605,118.95 in work performed by the Engineer Services of the Department, \$566,661.86 in purchase of properties and \$659,084 paid to the United Kingdom Government on account.

Operating Expenses of Properties: These expenses totalled \$11,400,992.51, the main items being: fuel, \$3,819,737.74; light, power and water, \$1,669,325.69; rents, \$898,231.72; sanitary and miscellaneous services, \$248,526.56; telephones, \$181,719.93; payments on account to the United Kingdom Government, \$4,520,617.65.

Payments on account to the United Kingdom Government in this fiscal year (detailed above) and in the previous fiscal year make a total of \$7,543,012.71 paid on account pending agreement to a capitation rate for these services.

Naval Services

Naval Services expenditures totalled \$129,367,632.12 in the fiscal year, a summary of which, together with the Treasury Board allotments, follows:

	Treasury Board Allotments	Expenditures	Allotments Lapsed
Royal Canadian Navy	128,354,673 00	128,279,602 54	75,070 46
Naval Services Equipment Division	2,029,488 18	1,050,298 88	979,189 30
Construction of Temporary Building, Cartier Square, Ottawa	75,000 00	37,730 70	37,269 30
	<u>\$130,459,161 18</u>	<u>\$129,367,632 12</u>	<u>\$1,091,529 06</u>

ROYAL CANADIAN NAVY

A classification of Royal Canadian Navy expenditures, followed by further detail and comments, is given below. The detail reported hereunder has been prepared from a statement of expenditures certified by the Chief Treasury Officer (Naval Services).

Pay and Allowances	30,817,469 95
Salaries and Wages	2,364,054 46
Transportation	1,885,769 68
Stores and Supplies	25,381,242 13
Acquisition and Construction of Buildings, Bases, Machinery and Ships.....	56,672,684 71
Repair and Upkeep of Buildings, Machinery and Ships	5,708,330 51
Accountable Advance, British Admiralty	3,980,516 72
Sundries	1,469,534 38
	<u>\$128,279,602 54</u>

Note.—An amount of \$15,164 included in Pay and Allowances above, was charged in error to Naval Services. The charge should have been made to War Savings Certificates Suspense—Naval Services, an open account.

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Pay and Allowances, \$30,817,469.95.—This is the total of basic pay, extra pay and the various allowances to officers and ratings of the Royal Canadian Navy, including: the Royal Canadian Navy (permanent force); the Royal Canadian Naval Reserve (men of the Merchant Marine automatically called up for duty in time of war); the Royal Canadian Navy Volunteer Reserve; the Fishermen's Reserve, West Coast, (members of fishing crews enrolled for training and liable to call in times of emergency); Nursing Sisters (registered nurses at base hospitals). Rates of pay and details of the main allowances are set out below.

Daily Rates of Pay and Allowances: The following are the daily minimum and maximum rates of pay for Naval personnel. Length of service, qualifications and type of ship served in, have a bearing on rates of pay, except in those cases where one rate of pay only is specified.

Officers

Commodore, \$17; Captain, \$13.75-\$18.75; Commander, \$10-\$14.25; Lieutenant Commander, \$7.50-\$9.50; Lieutenant, \$5-\$7.50; Commissioned Officers from Warrant Rank, \$5.75-\$6.75; Mate, \$4.75; Sub-Lieutenant, \$4; Warrant Officers, \$4.75-\$5.75; Midshipman, \$2; Cadet, 25c.-\$1.50.

Ratings

Seaman, 50c.-\$3.25; Photographer, \$2-\$3.50; Signalman, 50c.-\$3.50; Telegraphist, 50c.-\$3.50; Coder, \$1.25-\$3.50; Sailmaker, \$2.05-\$3.50; Stoker, \$1.35-\$3.50; Mechanics, \$3.05-\$4.05; Engine Room, Electrical and Ordnance Artificers, 50c.-\$4.05; Shipwrights, 50c.-\$4.05; Blacksmiths, Plumbers, Painters, Joiners, 50c.-\$3.60; Sick Berth Ratings, \$1.35-\$3.45; Writers, 60c.-\$3.45; Victualling Ratings, 60c.-\$3.45; Regulating Branch, \$2.65-\$3.55; Cooks (S), \$1.35-\$3.45; Cooks (O) and Stewards, 50c.-\$3.45.

Nursing Service

Matron-in-Chief, \$7.75; Matron, \$6.50; Nursing Sister and Dietitian, \$4.25-\$5; Home Sister and Physiotherapy aid, \$3.

Officers' Allowances

Marriage Allowances, \$1-\$2; Dependents' Allowances, 65c.; Allowance in lieu of rations and quarters, 85c.-\$4.10; Command Money, 50c.-\$2.50; First Lieutenant's Allowance, 35c.-60c.; Navigating Allowance, 35c.-\$1.25; Specialists Duties, 25c.-60c.; Secretarial, 60c.-\$2.25; Staff Pay, \$1-\$2.25; Charge Allowance, \$1.

Ratings' Allowances

Marriage Allowance, 75c.-\$1.75; Dependents' Allowance, 65c.; Allowance in lieu of quarters and rations, 85c.-\$1.45; Allowance in lieu of quarters and rations in Newfoundland, \$1.75; Non-substantive pay, 5c.-60c.

Nursing Sisters' Allowances

Subsistence allowances of \$1.70 a day may be paid to Nursing Sisters, all ranks.

Extra Pay

In addition to the above rates, extra pay, from 5c. to 60c. a day is granted to officers and ratings performing extra duties or incurring extra responsibilities not ordinarily applying to their particular ranks and also for service under difficult circumstances.

Non-substantive pay is paid to ratings who qualify in special subjects. Payment continues as long as they remain proficient in those subjects.

Marriage and Dependents' Allowances, \$2,439,801.74: Marriage Allowance, at rates shown above, is issued to officers and ratings to assist them in providing and maintaining homes for their wives and children. In the case of an officer, it is not issued unless full assignment of the allowance is made. In the case of a rating, the assignment of the allowance plus assignment of pay for the following number of days each month is required:

for wife or guardian	15 days' pay
for one motherless child	5 " "
for two motherless children	10 " "
for three motherless children	15 " "

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Dependents' Allowance is issued, at rates shown above, to assist in the maintenance of a dependent mother, father, brother, sister or separated wife. This allowance is awarded by the Dependents' Allowance Board and may be paid in respect of one dependent only. Assignment of the allowance must be made to the dependent, together with fifteen days' pay each month in the case of a rating (five days' pay if marriage allowance has also been granted) or five days' pay of rank, exclusive of other allowances, in the case of an officer.

Allowances in Lieu of Quarters and Rations, \$3,414,320.17: This amount was paid to compensate officers and ratings for outside board and lodgings.

Uniform Allowances, \$204,069.86: To outfit themselves with uniforms, Officers and Warrant Officers are paid cash allowances of \$150, except Medical Officers of the Royal Canadian Navy (permanent force), who receive allowances of \$300.

Kit Upkeep Allowances, \$300,313.29: Annual allowances are paid to ratings, on completion of one year's service, for the upkeep of kit at the following rates:

Chief Petty Officers and Confirmed Petty Officers.....	\$60 00
Petty Officers and men dressed as seamen	40 00
Petty Officers not confirmed and men not dressed as seamen	56 00
Submarine Kit Allowance	7 00

Rehabilitation Grants, \$42,712.50: An explanation of this grant is given under General Comments applicable to all Services.

Plain Clothes Allowances on Discharge, \$16,879.29: This amount was paid to discharged Naval personnel to provide them with civilian clothing. An explanation of this allowance is given in the General Comments applicable to all Services.

Salaries and Wages, \$2,364,054.46.—This is made up of: \$1,808,912.21 in salaries, including the Deputy Minister and his staff, the Minister's office staff, employees at Naval Service Headquarters, dockyards, bases and depots; \$608,011.70 in daily or hourly wages for casual labour employed at dockyards and other establishments (exclusive of construction and repair work labour); and a credit of \$52,869.45 from overhead percentages added to the labour cost of work performed for other governments, private firms, persons and other departments.

Salaries of \$2,400 or over are listed at the end of the Department of National Defence section of this report.

Transportation, \$1,885,769.68.—Transportation of Naval personnel, \$1,810,612.95, and the travelling expenses of civilian employees, \$75,156.73, comprise this amount. A list of civilian travelling expenses is given at the end of this report on the Department of National Defence.

Stores and Supplies, \$25,381,242.13.—As previously mentioned, the details of expenditures on stores and supplies are omitted because of their vital nature, but payments to suppliers are reported at the end of the Department of National Defence section. The above amount is the net total expenditure, including maintenance, in respect of such stores and supplies as: clothing, provisions, mess traps, first fitting outfit stores, special equipment, spare gear, medical stores, armament stores, fuel, printing and stationery, furniture, training and office equipment. A credit of \$206,316.52 from overhead percentages added to the cost of material issued to, or used in work performed for other governments, private firms, persons and other departments, has been deducted in arriving at this amount.

Expenditures in the amount of \$165,081.14, mainly for stores and supplies, were made on behalf of the Naval Service by the Department of Transport.

Canadian naval vessels are at times necessarily refueled, provisioned and repaired in foreign ports. Payment by the Canadian Government for these services is arranged through the High Commissioner for Canada in London, the British Admiralty, or from cash advances to or bills of exchange raised by the officer commanding the vessel.

Warehouses are maintained at dockyards and depots, where the receipt and issue of General Stores and Supplies are controlled and recorded by civilian staffs. Ordnance and Engineering stores are controlled by the Director of Naval Ordnance and the Engineering Branch of the Naval Service respectively. During the year a new system of recording General Stores and Supplies was installed. An examination by this office into the system, disclosed

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that while it facilitated the ordering of stores and the supplying of ships, it was incomplete in that it lacked, in the opinion of this office, certain audit and accounting requirements. Steps are being taken by the Department to satisfy these requirements.

Acquisition and Construction of Buildings, Bases, Machinery and Ships, \$56,672,684.71.—These expenditures are classified below as: purchases of land; charter of vessels; buildings, bases, machinery and ships. Details of projects are omitted for previously mentioned reasons, but payments to suppliers and contractors are listed at the end of the Department of National Defence report.

Purchases of Land, \$310,710.19: Land purchased or expropriated, settlement for which has been made on the advice of the Real Estate Adviser.

Charter of Vessels, \$312,344.78: Compensation to ship owners for the use of their vessels, including the administrative expenses of the Director of Marine Services who is assisted in an advisory capacity by two boards: one for the Pacific Coast Region and the other for the Great Lakes, the St. Lawrence River and the Atlantic Coast Region.

Buildings, Bases, Machinery and Ships, \$56,049,629.74: This includes naval bases, barracks, warehouses, training centres, machine shops, magazines, dry docks, tidal graving docks, marine railways, wharfs, wireless telegraph stations, range stations, fitting out berths, oil storage installations, ships, boom defence and harbour craft.

The bulk of construction work was performed under contracts let by the Department of Munitions and Supply. Contracts for the larger construction projects were let on a cost-plus basis, but ship contracts were generally let at fixed prices. The Department of Public Works performed or let contracts for construction in the amount of \$1,382,158.26.

Repair and Upkeep of Buildings, Machinery and Ships, \$5,708,330.51.—A classification of these expenditures follows:

Repairs, \$4,971,130.03: This includes the conversion, degaussing and upkeep of Royal Canadian Navy vessels and the repair of buildings, barracks and machinery, etc.

Operating Expenses of Properties, \$737,200.48: This consists of \$146,923.60 in rentals and \$590,276.88 for sundry expenses such as power, water, maintenance of grounds, garbage removal, cleaning of offices and other miscellaneous expenses incurred in the operation of dockyards, barracks, armament and supply depots, signal stations, bases and R.C.N.V.R. divisions.

Emergency Repair Agreement.—In order to secure the maximum facilities available for the fitting, conversion, repair and upkeep of ships, a Comptroller of Ship Repairs was appointed to organize and regulate the Canadian Ship Repair Industry.

Prior to July 15, 1941, separate agreements were made for the repair of each ship. Delay in undertaking the repair of such vessels, being detrimental to the prosecution of the war, a blanket repair contract (Emergency Repair Agreement, July 15, 1941) was prepared similar to that under which vessels are repaired in the United Kingdom. Under this arrangement ship repair contractors are paid proper costs as determined by the Cost Accounting Section of the Comptroller of the Treasury together with a profit approved by the Department of Munitions and Supply.

Profits paid to contractors under the Emergency Repair Agreement amount to 8 per cent of the contractor's costs, not including sub-contracts and finished materials, on which 2½ per cent only is allowed. But it was observed during the audit that one contractor, who carried out a large number of degaussing and ship repair jobs, did not submit his claims under the terms of the blanket agreement and received more than the above rates of profit.

Contractors doing occasional repair jobs amounting to less than \$500 were generally awarded contracts at firm prices.

Accountable Advance, British Admiralty, \$3,980,516.72.—Provisional payment in the amount of \$5,650,080 was made to the British Admiralty for services rendered and stores supplied by them during 1941-42. \$3,980,516.72 is the balance of this payment remaining unsupported by certified invoices at the fiscal year end.

Sundries, \$1,469,534.38.—These expenditures include: telephone, telegraph and cables, \$573,272.11; sundry freight, express and cartage, \$405,108.90; National Research Council, \$131,797.42; tuition fees, \$34,680; medical and dental fees, \$31,127.97; pilotage and canal tolls, \$16,957.84.

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NAVAL SERVICES EQUIPMENT DIVISION

The Equipment Division was set up to procure a special type of equipment. A revolving fund of \$4,000,000 was authorized for this purpose, by P.C. 36/7723 of December 31, 1940, but was not established. Expenditure for the procurement of and credits from the sale of equipment were respectively charged and credited to this allotment.

Net expenditure in the fiscal year amounted to \$1,050,298.88, being the difference between gross expenditures of \$4,448,794.83 and sales of \$3,398,495.95.

CONSTRUCTION OF TEMPORARY BUILDING, CARTIER SQUARE, OTTAWA

Expenditures amounting to \$37,730.70 were made in the fiscal year towards the construction of a temporary building required by Naval Service Headquarters, Ottawa. The erection of this building was authorized by P.C. 9477 of December 5, 1941.

Air Services

Air Services expenditures amounted to \$370,648,735.99 in the fiscal year. The following summary shows the funds allotted by the Treasury Board, the expenditures from these allotments and the unexpended balances at the end of the fiscal year:

	Treasury Board Allotments	Expenditures	Allotments Lapsed
British Commonwealth Air Training Plan..	248,248,411 00	247,382,556 35	865,854 65
Home War Establishment	113,335,130 96	109,820,471 57	3,514,659 39
Overseas Establishment	14,528,739 00	13,332,629 15	1,196,109 85
Departmental Administration	116,325 00	113,078 92	3,246 08
	<u>\$376,228,605 96</u>	<u>\$370,648,735 99</u>	<u>\$5,579,869 97</u>

Note.—Not included in the above expenditure is an amount of \$829,297.82 in disbursements made by the High Commissioner, London, during the latter part of 1941-42, which has been carried into the 1942-43 fiscal year.

BRITISH COMMONWEALTH AIR TRAINING PLAN

Expenditures under the British Commonwealth Air Training Plan amounted to \$275,105,612.42 for the fiscal year. This does not include payments charged to the United Kingdom Government, totalling \$113,050,447.49, in connection with Royal Air Force training schools in Canada and for British Commonwealth Air Training Plan equipment purchased on behalf of the United Kingdom.

In accordance with the Air Training Plan agreements, Australia's and New Zealand's proportions of expenses amounted to \$14,289,303.40 and \$12,748,615.83, respectively.

Net expenditure amounted to \$248,067,693.19, after deducting the amounts charged to Australia and New Zealand. However, an adjustment made in this fiscal year between Home War Establishment, Overseas Establishment and the Air Training Plan, affecting 1940-41 expenditure (see Auditor General's Report for 1940-1941), reduced the net expenditure to \$247,382,556.35 for 1941-42.

A summary of British Commonwealth Air Training Plan expenditures follows:

Pay and Allowances	69,200,467 51
Salaries and Wages	9,677,244 75
Transportation	9,322,272 65
Equipment, Stores and Supplies	110,622,876 08
Flying Training Contracts	16,721,301 96
Works and Buildings	47,133,410 02
Customs Duties and Sales Tax	8,864,083 26
Sundries	3,563,956 19
	<u>\$275,105,612 42</u>

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Pay and Allowances, \$69,200,467.51.—Rates of pay and particulars of the main allowances included in this amount are set out below.

Rates of Pay: Staff rates of pay for classified appointments of officers range from \$6 to \$24 a day. Ordinary rates of pay (standard, tradesmen and medical), Permanent Force, Nursing Services and Women's Division rates are set out below. Special rates paid to airmen mustered as Air Observers, Pilots, Air Navigators and Air Bombers range from \$3.70 a day for Sergeants to \$5.70 for Warrant Officers, Class 1. Special rates for Wireless Operator Air Gunners are \$3.45 a day for Sergeants and \$3.75 for Flight Sergeants. For Air Gunners, special rates of \$2.95 a day for Sergeants and \$3.25 for Flight Sergeants are paid.

The following table shows the daily rates of ordinary pay:

	Standard	Tradesmen	Medical
Officers, general list*			
Air Vice Marshal	\$20 00	.....	.....
Air Commodore	19 00	.....	.....
Group Captain	15 00	.....	.....
Wing Commander	12 00	.....	\$11 00
Squadron Leader	9 75	.....	9 25
Flight Lieutenant	8 50	.....	7 50
Flying Officer	7 00	.....	5 00
Pilot Officer	6 25	.....	4 25
Other ranks			
Warrant Officer, Class 1	4 20	\$4 45 to \$4 95	.....
Warrant Officer, Class 2	3 10	3 35 to 3 85	.....
Flight Sergeant	2 50	2 75 to 3 25	.....
Sergeant	2 20	2 45 to 2 95	.....
Corporal	1 70	1 95 to 2 45	.....
Leading Aircraftman	1 50	1 75 to 2 25	.....
Aircraftman, Class 1	1 40	1 65 to 2 15	.....
Aircraftman, Class 2	1 30	1 55 to 2 05	.....
Aircraft Apprentice	1 00	.....	.....

*Officers on the non-flying list receive \$2 a day less.

Extra Pay: \$2 is paid to non-flying officers for each day of flying in the course of duty. Other ranks are paid 75c. a day. Airmen Pilots and Air Observers not on special rates are paid \$1 a day flying pay, while Air Gunners receive 75c. Officers serving as adjutants and officers in charge of units of 200 or more receive \$1 a day additional pay and those employed with Headquarters of formations receive 50c. a day extra.

A subsistence allowance of \$1.70 and \$1 is granted to officers and airmen respectively in lieu of quarters and rations.

Permanent Force Rates: Permanent Force personnel have the option of remaining under Permanent Force rates of pay. These rates are as follows:—

Officers (per annum rates): Air Commodore, \$5,000 to \$5,500; Group Captain, \$4,300 to \$4,700; Wing Commander, \$3,700 to \$4,000; Squadron Leader, \$3,300 to \$3,600; Flight Lieutenant, \$2,850 to \$3,150; Flying Officer, \$2,350 to \$2,750; Pilot Officer, \$2,100 to \$2,200. Officers on the non-flying list receive \$800 less than the above rates.

Other ranks (daily rates): Warrant Officer, Class 1, \$4 to \$4.25; Warrant Officer, Class 2, \$3.40 to \$3.80; Flight Sergeant, \$3 to \$3.55; Sergeant, \$2.75 to \$3.10; Corporal, \$2.25 to \$2.65; Leading Aircraftman, \$2 to \$2.40; Aircraftman, Class 1, \$1.90 to \$2.30; Aircraftman, Class 2, \$1.70 to \$2.30; Aircraft Apprentice, \$1.

Permanent Force subsistence allowances of from \$300 to \$550 per annum are payable to officers and warrant officers. Other ranks are allowed \$200 per annum.

Permanent Force Officers on the non-flying list are entitled to \$2 a day additional pay while flying. Other ranks receive \$1 a day extra. Officers serving as adjutants receive \$100 a year additional pay and officers stationed at headquarters of formations receive \$200 a year extra.

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Nursing Services Rates of Pay: Members of the nursing service receive pay and allowances as follows: Matron-in-chief, pay of rank of Squadron Leader (non-flying list); Matron, pay of rank of Flight Lieutenant (non-flying list); Nursing Sister, pay of Pilot Officer and after six months' pay of Flying Officer (non-flying list); Home Sister, \$3 a day and allowances of Pilot Officer. A Nursing Sister detailed as Assistant to a Matron or Nursing Sister in charge of hospital or casualty clearing station of one hundred or more beds, may receive additional pay of 50c. a day.

R.C.A.F. (Women's Division) Daily Rates of Pay: Officers—Wing Officer, \$6.70; Squadron Officer, \$5.20; Flight Officer, \$4.35; Section Officer, \$3.35; Assistant Section Officer, \$2.85; Other Ranks—Under Officer, Class 1, \$2.80 to \$3.30; Under Officer, Class 2, \$2.10 to \$2.60; Flight Sergeant, \$1.70 to \$2.20; Sergeant, \$1.50 to \$2; Corporal, \$1.15 to \$1.65; Leading Aircraftwoman, \$1 to \$1.50; Aircraftwoman, Class 1, 95c. to \$1.45; Aircraftwoman, Class 2, 90c. to \$1.40. An allowance of \$15 for the purpose of purchasing underclothing, etc., may be paid to Under Officers, Class 2, Non-Commissioned Officers and Aircraftwomen upon enlistment. A quarterly allowance of \$3 is to be paid to Under Officers, Class 2, Non-Commissioned Officers and Aircraftwomen for the purpose of replenishing underclothing, etc.

Assigned Pay, \$5,767,075.68: A full explanation of assigned pay and the amounts which may be assigned by officers and other ranks is given under Army Services.

Dependents' Allowances, \$9,746,888.28: These allowances are administered by the Dependents' Allowance Board. The allowances payable to dependents of R.C.A.F. personnel are equivalent to Army Allowances (for corresponding ranks), full particulars of which are given under Army Services.

Civilian clothing on discharge, \$23,931.80: This allowance, particulars of which are given in the General Comments applicable to all Department of National Defence Services, is paid to personnel on discharge from the Force.

Rehabilitation Grants, \$691.80: An explanation of the purpose of the grants and the amounts payable are given under General Comments.

Outfit Allowances, \$343,514.50: An allowance of \$150 is granted to officers, Warrant Officers, Class 1, and Under Officers, Class 1 of the Women's Division, to provide themselves with the necessary uniform and equipment. An officer who formerly held the rank of Warrant Officer, Class 1, and received the allowance of \$150 is only entitled to \$100 upon appointment to commissioned rank. For a similar purpose a grant of \$250 is paid to a Warrant Officer or Non-Commissioned Officer on first appointment to a commissioned rank in the Permanent Active Air Force. Nursing Sisters and Home Sisters are granted an outfit allowance of \$150. The allowance of \$150 is granted only to women appointed to the Force and not to women who may be granted honorary commissions.

In cases where Officers, Under Officers Class 1 and Nursing Officers resign from the Force, provision is made for the refunding of outfit allowances on a sliding scale based on the length of service.

Salaries and Wages, \$9,677,244.75.—These are the salaries and wages of civilian clerks, stenographers, engineers, firemen and others employed under the Air Training Plan. The salaries of persons receiving \$2,400 or more per annum are listed at the end of this report on the Department of National Defence.

Transportation, \$9,322,272.65.—This is the cost of moving civilians and R.C.A.F. personnel (including their subsistence while travelling) and the transfer of equipment, stores and supplies. Travelling expenses of civilians are listed at the end of the Department of National Defence report.

Equipment, Stores and Supplies, \$110,622,876.08.—The non-disclosure of vital information precludes a classification of these expenditures, but a list of payments to suppliers is given at the end of the Department of National Defence section of this report. The above amount is the total cost, including maintenance, of: aircraft and engines, vehicles, marine craft, bombs and ammunition, barrack stores, wireless telegraph and telephone equipment, clothing and necessaries, food, gasoline and oil.

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The greater part of the work of overhauling airframes and engines is carried out under contracts with private firms. The basis of these contracts is that the contractor is paid his actual costs plus a fair and reasonable profit as determined by the Minister of Munitions and Supply. The contractor's costs include the laid down cost of material purchased, the amount of productive labour, and overhead determined periodically by the Cost Accounting Section of the Comptroller of the Treasury. A large part of the material used in overhauling is provided by the Government and does not form part of the contractor's costs.

Flying Training Contracts, \$16,721,301.96.—Elementary Flying Training Schools and Air Observers Schools are privately owned companies under contract with the Crown to provide elementary flying instruction, air observer instruction and co-pilot training. The Government supplies the necessary plant and equipment and pays sums to cover operating costs and profit at rates subject to periodic review and adjustment, based on the actual operating costs of the schools.

Works and Buildings, \$47,133,410.02.—These expenditures comprise the costs of construction, improvements, repairs and operation, as set out hereunder, of Air Training Plan works and buildings. Expenditures on the various projects are omitted for previously mentioned reasons, but the amounts paid to contractors and suppliers are given at the end of the Department of National Defence report.

Construction and Improvements, \$42,337,000.88: Construction by contractors, \$25,681,632.29; construction by Works and Buildings Section, \$1,862,642.43; Department of Transport, \$2,870,787.21; purchases of property, \$11,921,938.95.

Alterations and Repairs to Buildings, \$1,067,871.85: Work performed by Works and Buildings Section, \$912,275.95; contract work, \$155,595.90.

Operating Expenses of Properties, \$3,728,537.29, including: Fuel, \$1,970,762.29; light, water and power, \$1,022,521.65; rents, \$509,707.92.

Customs Duties and Sales Taxes, \$8,864,083.26.—Under the Air Training Plan agreements, customs duties and sales taxes on equipment and stores purchases are not included in the costs sharable by other member governments.

Sundries, \$3,563,956.19.—These expenses include: medical services, \$1,283,696.10; dental services, \$603,755.51; communication services, \$823,489.28; laundry, \$300,752.66.

HOME WAR ESTABLISHMENT

Home defence expenditures amounted to \$108,768,627.67 in the fiscal year, but a financial adjustment affecting expenditures of the previous fiscal year brought this total to \$109,820,471.57.

A classification of expenditures follows:

Pay and Allowances	11,442,821 82
Salaries and Wages	1,440,199 48
Transportation	1,733,154 50
Equipment, Stores and Supplies	58,960,886 01
Works and Buildings	34,665,205 91
Air Cadet League	25,919 00
Sundries	500,440 95
	<hr/>
	\$108,768,627 67
	<hr/>

Pay and Allowances, \$11,442,821.82.—In addition to basic pay the following are the major items: Assigned pay, \$1,963,348.86; dependents' allowances, \$1,609,269.52; outfit allowances, \$37,150; civilian clothing on discharge, \$4,304.33; rehabilitation grants, \$93,718.57.

Salaries and Wages; Transportation; Equipment.—The same explanations as are given in the preceding section of the report (B.C.A.T.P.) apply to these items.

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Works and Building, \$34,665,205.91

Construction and Improvements, \$32,139,840.39: Consisting of construction by contractors, \$20,900,843.67; construction by Works and Buildings Section, \$1,718,371.92; Department of Transport, \$9,053,808.62; purchases of property, \$466,816.18.

Alterations and Repairs, \$670,630.94: work performed by Works and Buildings Section, \$542,331.33; contract work, \$128,299.61.

Operating Expenses of Properties, \$1,854,734.58, including: Fuel, \$1,152,015.62; light, water and power, \$190,079.36; rents, \$34,386.33.

Air Cadet League of Canada, \$25,919.—The Air Cadet League of Canada maintains the organization necessary to supervise air cadet corps established throughout the country for the purpose of providing elementary air cadet training. To assist the League in performing its functions, authority was provided by P.C. 2719, of May 9, 1941, amended by P.C. 7593, of October 1, 1941, to pay the sum of \$25,000 to the League. A capitation grant of \$1 for each senior air cadet trained to the satisfaction of the League and the Minister is paid to school boards or other organizations who supply the training.

Sundries, \$500,440.95.—The larger items of expense under this heading are: communication services, \$156,875.68; medical services, \$112,410.95; dental services, \$81,805.49; laundry, \$58,656.98.

OVERSEAS ESTABLISHMENTS

Maintenance and administrative costs in connection with Royal Canadian Air Forces overseas totalled \$13,332,629.15 after making previously explained adjustments affecting the expenditure of the 1940-41 fiscal year.

Included in the expenditure are the pay and allowances, maintenance and equipment costs of the Canadian Overseas Squadrons, the deferred pay of Royal Canadian Air Force personnel attached to the Royal Air Force, the salaries and wages of civilian employees, transportation of service personnel, expenses of public relations activities abroad and sundry expenses such as communications, dental and medical services.

Royal Canadian Air Force personnel attached to the Royal Air Force and the Canadian Overseas Squadrons receive pay and allowances at Royal Air Force rates. In cases where Royal Canadian Air Force rates exceed those of the Royal Air Force, the pay accounts of officers and airmen are credited with the excess, the total of which is carried in deferred pay accounts. Particulars of the rates of pay and allowances applicable to Royal Canadian Air Force personnel are detailed under the British Commonwealth Air Training Plan allotment.

During the year an amount of \$702,616.23 was recovered from the British Air Ministry on account of the dependents' allowance and assigned pay of Royal Canadian Air Force personnel attached to the Royal Air Force overseas. This refund has been credited to the Department's special war revenues.

In connection with the Canadian Overseas Squadrons, an agreement, authorized by P.C. 79/4417, of June 18, 1941, and P.C. 26/7123, of September 9, 1941, was entered into by the Governments of Canada and the United Kingdom under the terms of which Canada agreed to pay certain lump sum amounts for the maintenance and rearming of the Overseas Squadrons (including pay and allowances). The lump sum payments are subject to review from time to time.

DEPARTMENTAL ADMINISTRATION

The expenses of the Administration branch of the Department of National Defence, Air Services, amounted to \$113,078.92 for the fiscal year, consisting of the salaries and travelling expenses of the Minister's office staff, the Deputy Minister's office and others associated therewith.

A list showing the names and salary rates of persons receiving salaries of \$2,400 or more per annum and a list of civilian travelling expenses paid during the fiscal year are appended to this report on the Department of National Defence.

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Salaries

Reported hereunder are the salaries of persons in the various administrative divisions and offices who were receiving \$2,400 or more per annum as at March 31, 1942, or at date of separation shown in brackets.

Departmental Administration Army.—Colonel H. DesRosiers, Associate Acting Deputy Minister, at military rates; D. L. Bentley, \$3,000 (July 1. Transferred to Naval Services); F. J. Boag, \$4,320 (Dec. 15); G. M. Bowes, \$3,000; L. Breen, \$3,000; R. P. Brown, \$5,500; D. P. Buckley, \$3,420 (Feb. 4, noon); C. Burns, \$5,520; G. S. Currie, \$6,000; M. E. Delaney, \$2,400; H. A. Dyde, \$5,000; R. Edwards, \$2,460; M. P. Foley, \$2,400; H. R. D. Harris, \$3,720; G. Killen, \$3,480; A. Landreville, \$2,400 (Aug. 1. Transferred to Naval Services); D. C. MacDonald, \$2,880; D. C. Mackenzie, \$3,120; A. A. Magee, \$6,000 (on leave without pay from Jan. 1); A. J. Maingot, \$2,880; J. H. Messinger, \$2,400; R. S. Montgomery, \$2,700 (May 2); A. J. Packman, \$3,600; H. E. Perrin, \$3,120; W. R. Todd, \$4,920 (Mar. 5); O. J. Waters, \$4,080; J. E. Wells, \$2,820; J. S. Welton, \$2,760; R. Whatley, \$3,780; C. C. Wheeler, \$2,820; S. P. Wheelock, \$3,900 (July 1. Transferred to Naval Services).

Dependents' Allowance Board.—A. H. Brown, Chairman, Apr. 1 to Sept. 7, \$6,000; R. O. G. Bennett, Chairman, Sept. 8 to Mar. 31, \$6,000; L. J. Carey, \$2,520; L. T. Lett, \$2,400; K. M. MacDonald, \$3,600; L. A. Mace, \$2,520; A. E. G. Mann, \$2,400; D. M. Ormond, \$2,520; R. J. Rogers, \$2,400; J. A. Turney, \$2,640.

Royal Military College.—W. R. P. Bridger, \$4,680; R. S. Brown, \$2,700; H. P. Emond, \$2,940 (on military leave from Aug. 1); T. F. Gelle, \$3,780 (on military leave from July 4); H. H. Lawson, \$4,685; P. Lowe, \$3,780; J. L. McKee, \$4,680; L. N. Richardson, \$5,045 (on loan to Naval Services from May 15).

Army Services.—R. W. Anderson, \$2,400; A. E. Attfield, \$3,420; O. E. Ault, \$3,600; J. Baird, \$2,400; D. T. Berry, \$2,640; D. Blair, \$3,420; G. A. Blouin, \$2,700; A. W. Bosley, \$2,520 (Apr. 6); L. Cadieux, \$4,000; F. M. Cameron, \$2,640; J. M. Carswell, \$3,300 (June 1. Transferred to Department of Munitions and Supply); J. Clark, \$2,700; M. G. Coates, \$4,800; W. Cockburn, \$2,700; R. H. Cooper, \$2,820; M. Courtwright, \$2,640; E. M. Cox, \$3,420; D. H. Craighead, \$3,300 (May 12); T. D. Cushing, \$2,400; A. J. A. Cutts, \$2,400; G. Davidson, \$2,580; R. D. Davidson, \$3,240; W. Davidson, \$2,400; C. C. Davis, \$2,700; J. G. Desrivieres, \$3,120; W. Douglas, \$2,640; J. E. Dudley, \$2,700; P. B. Duff, \$2,820; J. A. G. Easton, \$4,200; G. Edwards, \$2,520; W. G. Evans, \$2,820; J. T. Findlay, \$2,700; G. E. Forrester, \$2,700; F. P. Gavin, \$5,400; N. E. Gerrow, \$2,580 (July 1. Transferred to Department of Munitions and Supply); J. Gillespie, \$2,940; W. M. Goodwin, \$2,820; H. R. S. Gow, \$2,820; A. G. Graham, \$2,820 (June 1); R. C. Graham, \$2,760; R. N. Grainger, \$4,200 (Sept. 16); B. C. Harrison, \$3,000; J. B. Harvey, \$2,820; J. C. Hay, \$2,700; H. W. Heath, \$2,940; A. E. Heatley, \$2,400; F. W. Hewitt, \$2,700; T. Hickson, \$2,580; D. L. Hings, \$3,900; H. W. Hiscock, \$2,880; H. W. Hooke, \$2,700; F. Johnson, \$2,640; R. L. Kelly, \$3,600 (July 1. Transferred to Department of Munitions and Supply); R. E. Kirkpatrick, \$2,400 (July 1); G. Langlois, \$3,600; C. S. Larmer, \$2,580 (Sept. 7); M. Little, \$4,000; P. B. MacEwen, \$3,900 (July 1. Transferred to Department of Munitions and Supply); T. A. MacLean, \$2,820; G. G. Manning, \$3,180 (July 1. Transferred to Department of Munitions and Supply); R. C. Manning, \$6,000; H. E. Maple, \$3,720; J. E. Martel, \$2,460; H. B. McCarthy, \$2,640; E. J. McCleery, \$2,700; A. G. McDermott, \$2,520 (Sept. 1); J. A. McKenna, \$3,600; J. McKerlie, \$5,400 (May 20); S. C. McLaren, \$4,320 (July 1. Transferred to Department of Munitions and Supply); H. M. McLaughlin, \$3,120 (on military leave from Aug. 15); C. G. Menendez, \$4,320 (July 1. Transferred to Department of Munitions and Supply); J. Mess, \$5,000; N. Millman, \$5,400 (July 1. Transferred to Department of Munitions and Supply); T. P. Mitchell, \$2,820; J. R. Montgomery, \$3,180 (July 1. Transferred to Department of Munitions and Supply); C. W. Morgan, \$2,580, living allowance \$900; H. Oldham, \$2,820 (May 1); D. M. Pennie, \$2,400; M. F. Phelan, \$3,420; E. A. Plamondon, \$3,240; G. A. E. Quarrington, \$2,400 (June 1); H. A. Reid, \$2,400 (May 13); H. A. Seely, \$3,000 (Jan. 11); L. G. Smith, \$3,000; P. Stuchen, \$1,920, local allowance, \$480; L. H. Tansley, \$3,600 (Aug. 10); L. D. Tatley, \$2,820 (July 1. Transferred to Department of Munitions and Supply); F. G. Temple, \$2,700; A. Thomas, \$3,420; J. L. Thomas, \$2,820 (Oct. 1); L. Trepanier, \$5,000; H. J. Trueman, \$2,820; F. E. Turney, \$2,400 (June 1); J. A. Walker, \$3,720, local allowance, \$540; K. C. Watson, \$3,420 (July 1. Transferred to Department of Munitions and Supply); J. W. Watson, \$3,000; E. Webb, \$3,060; H. G. Willmets, \$2,640. The following was paid at the rate of \$12 a day: G. L. Bell, \$372.

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Naval Services.—K. S. MacLachlan, Deputy Minister, \$10,000 (Nov. 5); W. G. Mills, Acting Deputy Minister, Nov. 5 to Mar. 31, \$10,000; G. Aish, \$3,000; H. B. Akin, \$3,000; F. Alport, \$3,360; J. W. Balharrie, \$2,220, local allowance, \$180; V. Barbes, \$3,120; S. S. Barr, \$2,520; F. J. Bateman, \$2,820, local allowance, \$180; G. H. O. Beamish, \$2,520; J. T. Beanlands, \$2,400; D. L. Bentley, \$4,080; A. L. Birrell, \$3,600; W. J. Bishop, \$3,000; H. Brockington, \$3,600 (May 1); A. Brown, \$3,900 (Mar. 1); D. C. Cameron, \$2,760; K. M. Campbell, \$3,300 (Mar. 26); J. A. G. Cantin, \$2,400; S. H. Case, \$2,520; D. A. Chisholm, \$3,300; J. M. Chorlton, \$2,820, local allowance, \$180; W. B. Cole, \$3,720; J. J. Connolly, \$5,000; A. B. Coulter, \$2,880; R. W. Crumb, \$3,600; W. S. Davey, \$2,400; J. H. Delves, \$2,520; J. Dick, \$4,000; J. Dunsmore, \$1,920, local allowance, \$480; J. M. Dunwoody, \$6,000; W. H. Edsel, \$2,640; A. J. Elder, \$2,640, local allowance, \$600; J. M. R. Fairbairn, \$6,000; W. H. Forrest, \$2,220, local allowance, \$480; G. H. Foures, \$3,300; I. W. Fraser, \$2,400; J. E. Fraser, \$2,640; W. L. Fraser, \$4,800, living allowance, \$900; F. Freeborn, \$3,120, local allowance, \$480; C. H. Fry, \$2,700; E. A. Gardner, \$3,600; W. J. Gilhooly, \$3,600; C. E. Goodman, \$2,220, local allowance, \$180; S. W. Hall, \$3,600; A. H. Hargreaves, \$2,400; J. P. Harley, \$2,760; C. W. Harvison, \$3,000; T. E. Hawkins, \$2,220, local allowance, \$180; C. A. Henderson, \$4,200; C. Hershfield, \$3,000; R. D. Holland, \$3,120; I. Ilsley, \$4,200; F. H. M. Irwin, \$2,520, local allowance, \$480; R. M. Keirstead, \$3,000; A. Landreville, \$2,400; J. O. Leblanc, \$3,820; F. Lee, \$3,600; A. L. MacDonald, \$3,600; G. S. Macdonald, \$3,300; W. A. MacLean, \$2,520, local allowance, \$480; A. V. Manarey, \$2,700; F. W. McHaffie, \$2,700; W. McLaurin, \$2,520; J. N. McWatters, \$4,000; J. Mercer, \$3,000; A. K. Mills, \$3,120; J. C. Mitchell, \$5,000; E. W. Moodie, \$2,820, local allowance, \$480; H. J. Morin, \$2,880; R. R. Mulcahy, \$3,000; M. F. T. Munro, \$2,880 (Dec. 29); E. J. Neville, \$3,900; V. A. Nolan, \$2,400; M. O'Brien, \$2,520, living allowance \$900, local allowance \$80; V. G. O'Brien, \$2,760; R. K. O'Dell, \$4,620; J. W. Orrock, \$3,600; J. K. Partridge, \$3,180 (Dec. 22); H. M. Payette, \$3,960; R. Pearson, \$3,480; W. T. Peckham, \$2,520; R. W. Pinder, \$3,120; D. G. L. Pittman, \$2,640; A. E. Priest, \$3,000; G. Rankin, \$2,820, local allowance, \$480; T. B. G. Rankin, \$2,400 (Jan. 1); L. N. Richardson, \$6,000; G. K. Riddle, \$2,700; R. L. Ryley, \$3,120; H. D. Robertson, \$2,220, local allowance, \$480; J. Ryan, \$1,920, local allowance, \$480; R. G. Saunders, \$4,800; W. B. Scott, \$3,300; H. Shaw, \$2,700 (May 27); E. R. Smallhorn, \$6,000; P. M. Smith, \$3,300; J. B. Snape, \$2,700; L. N. Strike, \$3,720; A. N. Taylor, \$3,120; F. Taylor, \$3,600; L. B. T. Taylor, \$2,580; J. A. Thatcher, \$3,300; H. Thorne, \$3,300; A. T. Thorpe, \$2,750; H. O. Townshend, \$3,000; A. H. Tracey, \$2,520; G. Tucker, \$3,500; W. J. Verner, \$2,820; E. Wadley, \$3,000; D. S. Weatherston, \$3,000; S. P. Wheelock, \$4,080 (Sept. 9); D. D. Whitson, \$3,600; F. R. Whittall, \$4,000; H. A. Wilson, \$5,000; J. M. Woolfson, \$2,220, local allowance, \$180; C. H. Young, \$3,000. The following were paid at daily rates: V. H. Delaney, at \$10.35 a day, \$424.35; B. R. Jackman, at \$11.10 a day, \$521.70.

Fifty-five employees were receiving annual war duties supplements on March 31, as follows: H. Ashbee, \$1,440; V. Barbes, \$480; K. T. Bastedo, \$60; I. M. Bennett, \$480; J. Bland, \$1,080; J. J. Breen, \$540; A. V. Browne, \$240; P. J. Brule, \$420; E. S. Campbell, \$300; J. W. Carney, \$1,080; T. M. Cassidy, \$240; E. Cornblatt, \$300; A. B. Coulter, \$2,120; H. Donnelly, \$780; A. H. Down, \$780; F. L. Doyle, \$300; W. H. Edsell, \$1,380; H. Fairbairn, \$300; R. P. Field, \$60; P. Ford, \$960; A. G. Francis, \$780; J. E. Fraser, \$1,080; A. Geddes, \$1,020; R. George, \$600; G. Goodman, \$360; W. R. Grant, \$1,020; B. M. Green, \$480; P. J. Hill, \$660; E. Hynes, \$180; C. Levesque, \$480; G. F. Lovett, \$960; F. M. Lynch, \$300; P. H. MacGowan, \$720; H. N. MacNamara, \$1,160; A. A. Mathews, \$180; J. E. McGregor, \$660; S. L. McNeil, \$300; A. L. Merriam, \$480; E. M. Mitchell, \$240; W. Moss, \$540; J. Moulson, \$360; W. F. Noonan, \$1,080; R. S. Nipater, \$240; A. Parisien, \$240; J. W. F. Patry, \$240; R. Pearson, \$780; W. T. Peckham, \$480; D. G. L. Pittman, \$1,360; G. A. Renton, \$660; R. Ryley, \$600; S. Thompson, \$600; W. S. Thorpe, \$540; J. Williams, \$660; C. Wood, \$660; S. D. Zinck, \$1,020.

Air Services.—S. L. de Carteret, Deputy Minister, without salary; F. S. Adamson, \$2,820 (May 1); H. F. Allen, \$2,700; N. C. Allen, \$5,500; R. S. Amiot, \$2,400 (July 31); W. H. Anderson, \$2,520; K. B. Andra, \$2,400; P. T. Andrews, \$2,520; J. L. Apedaile, \$6,000; J. E. Archer, \$2,400; S. Armour, \$6,000 (Oct. 1); E. F. Armstrong, \$2,400; H. L. Armstrong, \$3,000; F. B. D. Arnold, \$2,400; W. M. Auld, \$2,400; F. D. Austin, \$2,400; O. L. Baldwin, \$2,400; J. C. Balfour, \$2,400 (July 4); L. Bartlett, \$2,520; W. A. Bate, \$2,520; H. Batt, \$3,000 (Nov. 8); J. A. Bell, \$3,000; R. C. Bell, \$2,400; A. E. Bemister, \$2,400; R. W. Bishop, \$2,820; W. J. Bishop, \$2,400 (Feb. 6, 1942); R. L. Black, \$2,400; A. L. Blackberg, \$2,400;

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

M. T. Blacklock, \$2,520; G. F. Bodie, \$2,400; J. Both, \$1,920; local allowance, \$600; L. P. Boudler, \$3,600; D. C. Bowlin, \$2,400; D. J. Brewer, \$2,400; M. E. Brian, \$2,400; J. C. Brookie, \$2,520; R. J. Brookfield, \$2,520; F. T. Brown, \$2,400; W. J. Bruce, \$2,820 (May 1); C. G. Brunel, \$2,400; R. Brunton, \$2,820; A. E. Bryan, \$2,400; A. M. Brydon, \$2,820; G. C. Bulger, \$2,700; J. D. Cameron, \$2,820; D. C. Campbell, \$2,400; J. G. W. Campbell, \$2,700; M. Campbell, \$2,820; C. J. Carey, \$2,820; J. B. Carter, \$3,120; H. L. Cassidy, \$2,520; J. L. Charleson, \$2,400; K. R. Chestnut, \$3,780; F. C. Christie, \$2,400 (June 14); J. Church, \$4,020; J. W. G. Clark, \$6,500; E. G. Clarke, \$2,700; R. Clarke, \$2,400; O. L. Colborne, \$3,300; J. H. Congdon, \$2,820; H. J. Connolly, \$2,820; A. B. Cooke, \$2,400 (Aug. 26); E. F. Cooke, \$3,300; G. E. Cooke, \$2,400; W. S. W. Corrigan, \$3,120; W. E. Crossley, \$2,400; C. S. Creighton, \$2,820; C. A. Crumpler, \$2,700; A. H. Currie, \$2,460; J. H. Curzon, \$2,800; S. R. Cuthbert, \$2,400; J. R. C. Davidson, \$2,400; F. L. Davis, \$3,600; A. V. Day, \$2,820; A. R. Deir, \$2,520; H. M. Dilworth, \$2,820; G. C. W. Dingwall, \$2,700; A. M. Dion, \$3,420; local allowance, \$180; A. S. Donald, \$3,300; J. G. Donald, \$2,520; W. A. Donaldson, \$2,400; D. A. Duff, \$2,400; J. E. Dussault, \$2,400; K. Dutcher, \$2,820 (May 1); E. G. Dyer, \$2,820 (May 7); A. Elie, \$2,700; W. H. Ellis, \$2,820 (Feb. 4); W. F. Evans, \$3,400; J. Fairley, \$2,400; A. S. Farquhar, \$2,820; W. S. Featherstonhaugh, \$2,820; M. O. Ferguson, \$2,820; J. A. Flatt, \$2,400; A. F. Flintoff, \$3,300; J. C. Folkins, \$2,700; F. W. Forbes, \$2,820; F. J. Fownes, \$2,820; A. T. Freeman, \$2,220, living allowance, \$620.50; M. H. French, \$2,400 (June 20 and Nov. 1-30); E. J. Garrett, \$2,820; H. H. Gauthorp, \$2,400 (Oct. 5); D. E. Gerrard, \$2,520; F. D. Gifford, \$2,820; F. A. Gilbert, \$2,400; G. H. Gilbert, \$2,520; W. G. Gillespie, \$2,520; C. H. Gillett, \$2,400 (Nov. 10); E. L. Ginnæ, \$3,000; T. R. Gleadowe-Newcomen, \$2,400 (Apr. 9); A. C. Golding, \$2,400; R. H. Goodchild, \$2,820; H. J. Goode-nough, \$2,400 (Oct. 10); H. F. Gordon, \$6,000; J. J. Gorman, \$2,400; I. Gough, \$4,080; R. M. Bourlay, \$2,400 (Nov. 30); G. Grafton, \$2,520; H. E. Graham, \$2,520; C. G. Grant, \$2,400; A. H. Greenlees, \$2,400; C. G. Gregory, \$3,000; W. E. Hall, \$2,820; D. F. Hamelin, \$2,400; T. H. Hamer, \$2,400; H. A. Hamersley, \$2,400; R. Hamilton, \$2,700; H. A. P. Hammell, \$2,820; W. H. Hargreaves, \$2,820; L. E. Harris, \$2,400; F. G. Haven, \$2,400; L. K. Hawkins, \$2,400; E. F. Hawley, \$2,400; G. J. Hayes, \$2,400; F. J. Heath, \$3,000; J. G. Hedges, \$3,420 (Aug. 19); R. A. Hendry, \$3,780; J. C. Higbie, \$2,820; G. R. Hill, \$3,300; R. R. Hilton, \$2,460; I. F. Hiltz, \$2,400; A. F. Hobbins, \$4,320; A. B. Holand, \$4,000; F. K. Hollyman, \$4,800; E. Howard, \$2,520; E. H. Howard, \$2,520; H. G. Hughson, \$2,400; R. W. Hunt, \$2,400; D. Jenness, \$5,000; F. C. Jewett, \$6,000; K. Johannesson, \$2,700; E. H. Jones, \$2,400 (April 27); H. S. Jordan, \$2,820; E. H. Jupp, \$2,820; M. A. Keating, \$2,520; L. S. Keith, \$2,400; J. F. Kelly, \$2,820; O. Kemp, \$2,760; B. J. Kenalty, \$3,120; J. L. Kennedy, \$2,400; C. L. Kenney, \$3,780; W. Kilgour, \$2,400 (June 23); E. L. Kingston, \$2,400 (Dec. 31); L. Knight, \$2,700 (Dec. 9); C. Knott, \$2,400; G. Knutsen, \$2,400; E. G. P. Lang, \$2,820 (May 7); V. N. Latimer, \$2,400; A. N. Lechemenant, \$3,000 (Jan. 15); H. L. C. Leitch, \$2,520 (Jan. 14); C. C. Lemmon, \$2,820 (June 13); E. E. Lennox, \$2,400; B. Leon, \$4,200; J. P. Leroux, \$2,400; L. R. Leslie, \$2,400 (Dec. 15); H. M. Lickley, \$2,820 (Dec. 1); H. G. B. Liisberg, \$2,400; T. D. Lord, \$4,200; R. T. Lyons, \$2,400 (Feb. 28); R. H. MacCuish, \$3,600 (on military leave from Nov. 8); D. E. MacDonald, \$2,820; W. C. MacDonald, \$2,400; W. J. MacDonald, \$6,000 (Aug. 1); D. A. MacDougall, \$2,820 (Oct. 1); C. W. MacLatchey, \$2,820; M. MacLean, \$4,000; W. A. MacLean, \$3,240; J. McAskill, \$2,700; W. A. McCabe, \$3,000; T. V. McCarthy, \$2,400 (April 30); A. C. McEachern, \$2,400; D. J. McEachern, \$2,400; C. V. McGiffin, \$2,820 (Oct. 10); J. A. McGinnis, \$2,880 (Sept. 1); D. A. McIntyre, \$2,700 (July 31); H. A. McIntyre, \$3,300; L. M. McKechnie, \$3,500; R. A. McKellan, \$2,820 (Oct. 10); D. McNair, \$2,400 (Oct. 10); A. McNeiley, \$2,820; W. McNiven, \$2,520; C. McPherson, \$2,400; D. E. Manchester, \$2,400; W. E. Manhard, \$2,820, local allowance, \$580; R. W. Manzer, \$2,400, P. Marcotte, \$2,700 (on military leave from March 7); M. H. Marshall, \$2,400; R. M. Martin, \$2,820; O. W. Martyn, \$2,400; R. L. Martinson, \$2,400; J. E. Melanson, \$2,220, local allowance, \$360; J. A. Mersereau, \$2,400; H. T. Miard, \$2,400; E. L. Miles, \$3,600; L. Millidge, \$2,820; J. C. Milligan, \$2,820 (Mar. 16); J. S. Mills, \$2,820; A. Mitchell, \$2,400; H. B. Montizambert, \$2,820 (Apr. 7); C. L. Moon, \$2,820; P. Moore, \$2,640; T. Morris, \$2,520; G. M. Morrison, \$3,600; R. Morrisette, \$2,820; L. Myers, \$2,800; E. M. Nason, \$2,820; W. S. Neales, \$2,820; T. G. R. Newcomen, \$2,820; T. O. Newmann, \$2,400; F. Noad, \$2,820; A. E. Noakes, \$2,520; K. E. O'Neil, \$2,400; R. F. Overbury, \$3,000; B. A. Page, \$2,700; H. F. Palbeck, \$2,400; D. Panet-Raymond, \$3,000; P. E. Parent, \$3,500; G. H. Parker, \$2,400; C. N. Partridge, \$2,520 (Apr. 29); H. W. Patterson, \$2,400; J. E. J. Patterson, \$2,400 (Feb. 28); H. M. Payette, \$3,380 (Nov. 11); H. A. Peck, \$2,820; D. L.

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Penny, \$2,820 (Oct. 10); E. C. Perey, \$2,820; J. E. Philipps, \$2,400; T. D. Pickard, \$2,400; W. E. A. Pollard, \$2,400 (Jan. 16); F. W. Porter, \$3,300; F. R. H. Proctor, \$3,300; H. G. Randilsmo, \$2,820; G. Rankin, \$2,820 (Dec. 8); K. C. Rathbone, \$2,400; W. G. Real, \$2,400; G. G. Reid, \$2,820; A. C. Reider, \$2,400; J. C. Reiffenstein, \$2,820; J. W. Renwick, \$2,520; G. P. Rigby, \$2,400 (May 9); W. C. Risley, \$3,000; C. J. Roberts, \$2,520; D. S. Robertson, \$2,820; A. H. Robinson, \$2,520; W. H. Rogerson, \$2,520; D. C. Rolland, \$2,520; A. P. Rollo, \$2,520; D. A. Ross, \$3,000; F. Rousell, \$2,400; J. W. Rowan, \$2,400 (Dec. 31); G. B. Rumble, \$3,000; A. E. Russell, \$2,520; C. A. Ryder, \$2,520; R. E. St. John, \$2,700; P. E. Samson, \$2,400; A. E. Saunders, \$2,400; B. P. Scott, \$2,400 (Oct. 14); E. H. Scott, \$4,000; G. L. Scott, \$2,400; J. D. Scott, \$2,400; W. M. Sellars, \$2,400; J. A. Sharpe, \$3,780 (on military leave from Feb. 1); T. Sheard, \$6,000; C. E. Simms, \$2,820; M. Sinclair, \$2,400 (Aug. 15); J. C. Slater, \$2,820 (Sept. 1); F. H. Smail, \$3,300; G. E. Smith, \$2,400 (Oct. 31); G. W. Smith, \$3,300; H. E. Smith, \$2,520; H. P. Smith, \$3,000 (on military leave from July 16); J. H. Smith, \$3,060; J. L. Smith, \$4,440 (Aug. 18); N. Smith, \$4,000 (July 1); R. Smith, \$6,000; W. T. C. Smith, \$2,820; A. L. H. Somerville, \$3,300; W. B. Steers, \$2,820; L. Stewart, \$2,520; W. G. D. Stratton, \$2,820; W. M. Swann, \$2,820; E. R. Swift, \$2,400; R. H. Swingler, \$2,820 (Mar. 20, 1942); W. C. Sylvester, \$2,820; T. W. Tait, \$2,400; G. L. Taylor, \$2,400; J. C. D. Taylor, \$2,820 (Oct. 10); W. Templeton, \$4,000; M. F. Thomas, \$3,420; J. W. Thompson, \$2,820; H. Treleaven, \$2,400; R. J. Tupper, \$2,580; D. M. Vye, \$2,820; L. Walker, \$2,520; W. J. Walsh, \$3,060; S. Walters, \$2,820 (May 7); T. Ward, \$2,820; W. H. Ward, \$4,000; K. Weaver, \$2,520; J. A. Weldon, \$5,400 (Dec. 1); F. A. P. Wetherall, \$2,520; F. B. Whiteley, \$2,400; E. T. Whithall, \$2,640; N. E. Willett, \$2,400; J. P. Wilson, \$2,820; T. S. Wilson, \$2,520; W. B. Wilson, \$3,600; J. H. Woodbridge, \$2,400; F. Young, \$2,820; J. L. Yuill, \$2,400.

Travelling Expenses

Listed below are the travelling expenses of civilians amounting to \$300 or more during the year:

Army and General Services.—Hon. J. L. Ralston, \$1,729.91; F. H. Bacque, \$1,140.43; W. H. Bosley, \$339.75; G. M. Bowes, \$882.53; J. A. Brissette, \$688.84; F. Burgess, \$1,154.11; L. Cadieux, \$601.86; F. J. Cameron, \$857.15; M. G. Coates, \$483.27; A. Cockburn, \$3,893.60; Miss R. Crealock, \$386.55; T. D. Cushing, \$393.48; G. H. S. Dinsmore, \$979.80; R. Donaldson, \$444.90; J. H. Dumont, \$308.77; H. A. Dyde, \$1,061.12; S. C. Elliott, \$586.39; F. Farwell, \$5,077.50; H. F. W. Fishwick, \$309.66; N. E. Gerrow, \$347.95; A. Gladwin, \$985.98; W. M. Goodwin, \$319.10; R. N. Grainger, \$601.71; L. M. Hart, \$3,421.94; J. C. Hay, \$709.78; D. L. Hings, \$424.47; H. W. Hooke, \$649; Miss A. G. King, \$393.48; Dr. Thos. E. King, \$728.45; J. M. Lyons, \$416.28; D. C. MacKenzie, \$1,432.92; J. McKerlie, \$840.91; A. F. McMulkin, \$645.89; R. C. Manning, \$1,102.47; E. A. Martin, \$522.04; J. Mess, \$926.39; G. J. Nenzel, \$317.66; G. H. Nightingale, \$566.60; A. J. Packman, \$376.40; H. S. Parkes, \$4,080.20; P. A. Pearce, \$908.61; J. Pembroke, \$1,091.16; W. R. Pattinson, \$659.80; C. S. Pipe, \$4293.65; E. A. Plamondon, \$673.06; C. N. Poque, \$410; J. W. Rankin, \$1,759.35; R. J. Rogers, \$1,397.43; I. Roy, \$414.86; F. W. Skerry, \$411.59; T. D. Switzer, \$300; L. Trepanier, \$580.26; A. B. Walker, \$329.36; Dr. G. M. Weir, \$1,130.96; R. J. Wiley, \$380.39; R. H. Williams, \$1,417.30; J. M. Young, \$491.05; J. V. Young, \$5,402.29; L. S. Yuill, \$2,531.41.

Naval Services.—Hon. A. L. MacDonald, \$1,699.05; K. S. MacLachlan, \$556.96; F. Alport, \$856.97; V. Barbes, \$353.72; E. Berrigan, \$398.20; C. B. Britnell, \$392.29; A. Brown, \$866.63; E. Cantin, \$702.20; D. B. Chant, \$1,076.50; A. B. Coulter, \$340.19; J. M. Fairbairn, \$516.03; J. E. Fraser, \$1,569.25; H. W. Godwin, \$1,440.55; B. Grandmont, \$363.19; F. E. Hanrahan, \$474.25; K. Jensen, \$366.45; B. Kaiser, \$366.85; J. R. Latter, \$564.70; L. McLaren, \$579; W. McLaurin, \$978.20; E. J. Neville, \$516.23; H. M. Payette, \$394.52; R. Pearson, \$520.75; G. A. Renton, \$1,147; L. N. Richardson, \$868.72; R. Ryley, \$334.52; P. Smith, \$347.60; F. W. Sparks, \$312.14; W. F. Stephen, \$1,081.89; J. Valiquet, \$509.

Air Services.—Hon. C. G. Power, \$1,932.70; R. S. Ackhurst, \$1,278.77; B. R. Allan, \$576.58; J. L. Apedaile, \$651.14; J. E. Archer, \$753.90; D. C. Badenock, \$470.09; G. Bagley, \$300.85; W. Baird, \$302.90; J. A. Bell, \$331.25; J. Bissett, \$387.44; G. F. Bodie, \$499.81; A. G. Border, \$702.19; J. Both, \$700.45; J. H. Boyce, \$780.44; W. E. Bright, \$318.40; F. B. Brisco, \$517.48; J. C. Brookie, \$920.95; C. G. Brunel, \$581.35; A. E. Bryan, \$1,157.97; F. Burns, \$775.06; J. D. Cameron, \$492.80; J. L. Charleson, \$725.74; F. C. Christie, \$433.05; J. A. Church, \$1,705.49; I. W. G. Clark, \$945.41; G. E. Cooke, \$2,186.91; W. E. Crossley, \$1,733.86; S. R. Cuthbert, \$1,055.40; R. H. Cuzner, \$1,400.74; A. E. Fitzsimmons, \$1,112.92; O. A. Fregin, \$428.99;

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C. Gerou, \$1,195.07; M. G. Grant, \$578.83; D. F. Hamelin, \$2,689.03; J. G. Hedges, \$417.25; I. F. Hiltz, \$1,103.41; R. D. Honan, \$627.68; W. H. Irvine, \$1,180.66; J. Isherwood, \$416.10; H. E. Jenkins, \$530.35; J. S. Johnson, \$714.94; J. L. Kennedy, \$669.92; J. C. King, \$455.90; J. T. Lacelle, \$675.81; E. D. Lalonde, \$378.72; T. A. J. Leach, \$547.06; C. A. Le Beuf, \$318.47; J. R. Legault, \$506.63; H. M. Lickley, \$595.83; H. B. Lüsberg, \$361.70; A. W. P. Lowrie, \$441.90; A. D. McGinnis, \$1,290.31; J. A. MacKenzie, \$412.43; S. B. McKnight, \$1,342; W. J. McLaren, \$612.92; C. W. McLatchey, \$430.73; R. A. McLellan, \$471.11; N. Mann, \$472.70; R. M. Martin, \$948.57; O. W. Martyn, \$1,063.92; J. E. Melanson, \$411.75; E. L. Miles, \$724.85; J. C. Milligan, \$769.20; A. Moore, \$591.54; P. Moore, \$545.14; R. Morrisette, \$589.04; A. L. Murray, \$304.35; W. S. Neales, \$537.89; S. E. Paisley, \$2,740.63; H. F. Palbeck, \$494.07; P. E. Parent, \$657.15; D. L. Penny, \$385.85; J. E. Philipps, \$844.08; J. Price, \$444.95; H. G. Randlesome, \$563.69; G. G. Reid, \$1,159.05; T. S. Robb, \$1,050.25; J. W. Rowan, \$1,121.95; S. S. Ruggles, \$1,230.46; W. Rumble, \$425.70; C. H. Rutledge, \$855.12; W. R. Sadler, \$627.01; M. R. Sapara, \$1,958.12; E. H. Scott, \$474.30; J. D. Scott, \$923.72; J. M. Searle, \$566.80; J. N. Simpson, \$1,327.96; F. H. Smail, \$1,808.29; J. L. Smith, \$537.34; R. T. Smith, \$388.18; W. T. C. Smith, \$340.35; E. Staley, \$409.06; R. J. Stephenson, \$451.95; L. M. Stevenson, \$754.60; R. W. Stewart, \$850.92; G. R. Stinson, \$526.15; M. M. Swanson, \$383.47; W. T. Tait, \$704.71; M. F. Thomas, \$880.71; J. W. Thompson, \$488.50; F. Walker, \$326.51; W. J. Walsh, \$512.13; J. A. Weldon, \$352.75; C. R. White, \$641.53; N. E. Willett, \$1,460.60; W. C. Willock, \$1,016.46; A. Wilson, \$1,553.32; W. B. Wilson, \$911.91; B. H. Witherspoon, \$671.44; J. Witchall, \$620.94; F. Young, \$802.64.

Suppliers Accounts

Amounts totalling \$10,000 or over to contractors and suppliers, charged to allotments for Army, Navy and Air were:—

George Abbott Ltd., \$39,215.03; Abbott Laboratories Ltd., \$30,081.54; Abitibi Power & Paper Co., \$27,104.39; Acadia Construction Co. Ltd., \$2,296,140.04; Acadia Gas Engines, Ltd., \$12,841.30; Accessories Manufacturers Limited, \$56,488.37; D. Ackland & Son, \$29,839.50; Acme Construction Co., Ltd., \$488,335.06; Acme Glove Works Ltd., \$133,185.84; Acme Office Supplies Ltd., \$174,963.94; Acme Paper Products Ltd., \$12,383.69; Acme Steel Co. of Canada Ltd., \$14,889.89; Acton Rubber, Ltd., \$46,888.40; J. D. Adams Ltd., \$53,391.25; Adams & Vanduson Co., \$49,999.86; Addressograph-Multigraph Sales Company, \$54,350.79; Aerial Machine Tool Corporation, \$22,224.42; Aga Heat Canada Ltd., \$109,421.18; Agfa Anso Ltd., \$35,724.03; Aikenhead Hardware Ltd., \$10,888.08; Ainsworth Electric Co., \$79,469.31; Air Associates Incorporated, \$45,904.03; Aircraft Repair Ltd., \$1,908,312.45; Aircraft Supply Co., \$23,216.19; D. Aitken, \$11,369.08; Albert & McCaffery, Limited, \$36,132.25; Alberta Bakers Association, \$43,211.52; Alberta Construction Co., \$59,568.08; Alberta Foundry & Machine Co. Ltd., \$147,703.23; Alberta Government Telephones, \$96,882.24; Alberta Laundry Ltd., \$11,268.41; Province of Alberta, \$114,481.37; University of Alberta, \$159,014.78; L. F. Alexander & Co., \$217,005; The Alford Electric Ltd., \$12,268.44; Allan Lumber Co. Ltd., \$14,980.91; Allanson Armature Mfg. Co., \$37,043.98; Alliston Creamery Dairy, \$15,884.05; Allore Co. Ltd., \$18,301.09; Alpha Aracon Radio Co., \$16,159.43; Aluminum Company of Canada Ltd., \$199,282.55; Aluminum Goods Ltd., \$93,285.18; Amalgamated Electric Corporation Ltd., \$176,332.91; The American Brass Co., \$20,537.95; American Can Co. Ltd., \$12,719.22; American Car & Foundry Co., \$448,211.55; American Gem Pearl Co., \$38,172.90; American Optical Co., \$16,234.95; The American Pad & Textile Co., \$226,790.34; Anaconda American Brass Ltd., \$221,163.42; Anderson Furniture Factory, \$12,900.56; W. O. & J. I. Anderson, \$106,727.82; Thomas A. Andre, \$10,538.50; Michael Andrews, \$13,892.26; S. Anglin Co. Ltd., \$25,114.58; Anglin Norcross Corporation Ltd., \$1,532,443.20; Anglo American Telegraphs, \$11,002.67; Anglo Canadian Leather Co. Ltd., \$50,609.37; Anglo Canadian Oils Ltd., \$70,158.38; Anglo Canadian Wire Rope Co. Ltd., \$109,970.91; Anglo-Newfoundland Development Co. Ltd., \$11,025.27; Angus and Taylor Ltd., \$11,328.80; Anthes Foundry Ltd., \$290,596.41; Anticosti Shipping Co., \$42,543.76; Archibald Coal Co. Ltd., \$34,020.23; R. E. Archibald, \$11,480.18; The Arctic Ice Co. Ltd., \$19,959.63; Argo Petroleum Ltd., \$19,110.24; Arlington Cycle & Sports Ltd., \$200,831.65; Armdale Coal Co., \$13,415.70; Armstrong Bros., \$25,496.29; Armstrong Bros. Shipyard, \$124,129.24; Armstrong Bros. Construction Co., \$834,799.57; Arnold's Ltd., \$18,383.21; Arrow Bedding Ltd., \$11,685.64; Arrow-Hart & Hegeman (Canada) Ltd., \$40,795.75; Arthur & Conn Ltd., \$32,025.50; Asbestonos Corporation Ltd., \$91,569.71; J. H. Ashdown Hardware Co. Ltd., \$151,459.57; Ashley Colter Ltd., \$23,567.85; Assiniboia Engineering Co., \$508,036.76; Associated Screen News Ltd., \$26,878.21; Atlantic

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Acadia Sugar Sales Co. Ltd., \$171,632.85; Atlantic Boiler, Chipper & Sealers, \$36,266.50; Atlantic Construction Co., \$149,415.14; Atlantic Transportation Co. Ltd., \$41,998.88; Atlas Asbestos Co. Ltd., \$12,420.32; Atlas Asphalt Co., \$17,938.23; Atlas Bedding Ltd., \$18,680.59; Atlas Brush Co., \$24,358.58; Atlas Construction Co. Ltd., \$9,930,384.31; Atlas Plywood Corporation of Canada, \$11,519.58; Atlas Polar Co. Ltd., \$105,179.29; Atlas Press Ltd., \$31,465.72; Atlas Steels Ltd., \$145,937.15; Auger & Fils Enrg., \$31,645.64; Austen Bros. Ltd., \$93,396.59; Auto Electric Service Co. Ltd., \$87,246.92; Auto Ordnance Corporation, \$23,233.86; Autocar Company, \$27,815.25; Automatic Electric Sales and Service, \$13,338.78; Avalon Telephone Co. Ltd., \$17,774.51; Aviation Electric Ltd., \$1,446,433.80; Aviation Equipment and Export Inc., \$18,970.78; Ayers Ltd., \$210,948.34.

The B. G. Corporation, \$316,188.45; Chas. H. Babb Co., \$275,027.85; Babcock-Wilcox & Goldie-McCulloch Ltd., \$17,676.22; E. L. Babine, \$15,651.35; C. B. Backer Co. Ltd., \$19,922.63; Backstay Standard Co. Ltd., \$113,924.31; F. Bacon & Co. Reg'd., \$173,411.72; G. A. Baert, \$321,851.62; Andrew McKee Baile, \$140,829.07; Baldt Anchor Chain Co., \$21,913.26; Balfour, Guthrie & Co. (Canada) Ltd., \$46,198.92; Ball Planing Mill Co. Limited, \$17,573.81; R. M. Ballantyne Ltd., \$98,519.17; W. L. Ballentine Co., \$17,307.10; W. H. Banfield Son Ltd., \$14,742; Barber Die Casting Co. Ltd., \$23,693.80; G. E. Barbour Co. Ltd., \$53,222.14; Clement A. Baril, \$12,475; N. A. Barker, Ltd., \$16,121.10; The Barnes Wallace Co. Ltd., \$30,010.80; Barnett McQueen Co. Ltd., \$36,583.53; Barr Anderson Ltd., \$37,582.13; Barrett Bros., \$26,625.40; The Barrett Co. Ltd., \$41,258.12; Barringham Rubber Co. Ltd., \$144,837.26; The Barrymore Cloth Co. Ltd., \$558,721.12; Bata Shoe Co. of Canada Ltd., \$20,759.73; Bates & Innes Ltd., \$421,209.59; Bates Valve Bag Co. Ltd., \$22,403.42; Battram's Laundry, \$18,301.41; Bauer & Black Limited, \$33,798.10; The Bay Store, \$15,491.32; G. E. Baynes, \$63,954.69; Beach Motors Ltd., \$24,319.70; Beardmore & Co. Ltd., \$132,593.67; Beare & Son, \$38,588.83; W. A. Beath & Son Ltd., \$264,040.82; S. S. Beaton, \$17,729.40; R. Beattie Estate, \$26,694.28; Roy Beattie, \$12,546.47; Beatty Bros. Ltd., \$236,716.29; Estate Walter Beatty, \$40,320.88; Beaumont & Frère, \$17,684.65; The Beaver Laundry Machinery Co. Ltd., \$10,570.11; Beaver Lumber Co. Ltd., \$26,337.49; Frank Beban Lumber Co. Ltd., \$16,617.40; Belding-Corticelli Ltd., \$17,363.61; A. M. Bell & Co. Ltd., \$28,866.78; Bell Aircraft Corporation, \$35,661.24; Charles R. Bell Ltd., \$16,555.38; E. A. Bell, \$14,874.14; The Bell Telephone Co. of Canada Ltd., \$642,481; Belleville Foundries Limited, \$22,803.48; Belmont Construction Co. Limited, \$361,047.86; George H. Belton Lumber Co. Ltd., \$15,910.07; Bendix Eclipse of Canada, Ltd., \$69,392.71; R. O. Benell Construction Co., \$17,682.46; Bennett-Pratt Ltd., \$320,383.32; Bennett & White Construction Co. Ltd., \$2,709,190.15; Bennett & White of Edmonton Limited, \$141,531.63; Bennett & Wright Ltd., \$51,572.77; A. B. Benson, \$11,375; A. C. Benson Shipyard, \$168,826.08; The Benson Canning Co., \$31,441.91; The Bentwood Chair & Table Mfg. Co. Ltd., \$56,199.80; Bepco Canada Ltd., \$23,034.30; Berkel Products Co. Ltd., \$39,702.98; Berry Bros. Incorporated, \$115,064.57; The John Bertram & Sons Co. Ltd., \$19,175.20; Bertrand Freres, \$134,687.87; Betty's Ltd., \$43,067.79; Bickle-Seagrave Ltd., \$229,186.81; H. R. Biland, \$33,943.15; Bi-Lateral Fire Hose Co. of Canada, \$34,542.16; Biltmore Shirt Co. Ltd., \$265,765.49; J. Rodger Binks, \$90,569.72; Bird Construction Co., \$3,984,283.31; The Bird Woollen Mill Co. Ltd., \$60,380.51; Black & Decker Mfg. Co. Ltd., \$30,874.15; Blachford Shoe Mfg. Co. Ltd., \$15,551.82; Blair, White, O'Keefe Ltd., \$14,281.70; B. A. Blakeney Ltd., \$75,675.07; Blakeny & Son Ltd., \$35,074.48; K. Blevis Laboratories, \$10,878.90; Bloedel Stewart & Welch Ltd., \$15,424.46; Blue Ribbon Ltd., \$74,152.98; The Boeckh Company Ltd., \$85,166.91; Boeing Aircraft of Canada Ltd., \$5,848,699.28; The Boiler Inspection and Insurance Company of Canada, \$29,957.09; Boland Bros. Ltd., \$26,787.94; S. D. Boland Co., \$12,442.31; Bolands Ltd., \$21,028.63; Bolter Bros., \$480,314.69; Thomas Bonar & Co. (Canada) Ltd., \$23,233.27; Bond Clothes Shop, \$35,463; Bonsecours Market Fruit and Vegetable Co. Ltd., \$13,835.12; Boon Strachan Coal Co. Ltd., \$10,435.33; Boosey & Hawkes Canada Ltd., \$65,053.99; Booth Fisheries Canadian Co. Ltd., \$24,085.31; The Borden Co. Ltd., \$89,550.96; Henry Borger & Son Ltd., \$358,199.43; Boston Insulated Wire & Cable Co. Ltd., \$34,552.58; Donat Bouchard, \$14,692.02; Boulangerie Gerbe D'or, \$10,138.89; Boulangerie Nationale Limitee, \$14,008.54; Boundary Bay Flying Training School Limited, \$684,065.94; Boutilliers Ltd., \$114,642.27; Bowes Co. Ltd., \$10,171.89; Bowring Bros. Ltd., \$19,516.66; S. F. Bowser Co. Ltd., \$13,345.60; Boyles Bros Drilling Co. Ltd., \$12,741.20; Braemore Neckwear Co., \$11,957.48; Brampton Knitting Mills, \$53,538.11; City of Brandon, \$47,592.88; Brandon Hardware Co. Ltd., \$10,736.98; Brandon Packers Ltd., \$116,738.86; Brantam-Henderson Ltd., \$52,032.53; Brantford Coach & Body Ltd., \$711,476.10; Brantford

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Laundry Limited, \$15,182.21; Brantford Oven & Rack Co. Ltd., \$41,272.54; Brantford Public Utilities Commission, \$12,693.02; Brantford Roofing Co. Ltd., \$25,547.27; Bras d'Or Coal Sales 1939 Ltd., \$216,781.51; H. A. Brazier, \$15,922.09; The Breadner Co. Ltd., \$34,826.11; The Breithaupt Leather Co. Ltd., \$102,658.15; Douglas Bremner Construction Limited, \$291,681.10; Bremner Norris Co. Ltd., \$69,481.14; Brennon Paving Co. Ltd., \$544,907.82; W. C. Brennan Contracting Co., \$1,059,541.50; I. L. Brenton, \$13,813.05; Brethour & Shade, \$13,028.70; Brille Hat & Cap Co. Ltd., \$105,172.30; Bristol Aircraft Products Ltd., \$354,467.30; British Aeroplane Engines Ltd., \$950,980.38; British Air Commission, \$23,754.11; The British American Oil Co. Ltd., \$3,799,811.95; British America Paint Co. Ltd., \$27,919.55; B. C. Coast Vegetable Marketing Agency, \$33,535.34; B. C. Electric Railway Co. Ltd., \$194,518.05; B. C. Equipment Co. Ltd., \$20,015.49; B. C. Fuel Co. Limited, \$26,984.66; B. C. Marine Engineers & Shipbuilders Ltd., \$72,801.34; British Columbia Packers Ltd., \$13,665.03; British Columbia Plywoods Ltd., \$86,599.09; Provincial Government of British Columbia, \$35,072.84; B. C. Sugar Refining Co. Ltd., \$25,026; British Columbia Telephone Co., \$82,776.93; British Columbia Tug & Barge Co., \$10,018; British Purchasing Commission, \$3,201,858.22; British Ropes Canadian Factory Ltd., \$71,836.70; British Rubber Co. of Canada Ltd., \$108,628.02; British Yukon Navigation Co., \$529,497.41; J. Brock Shipping Co. Inc., \$80,481.97; Brocklehurst Swiss Embroidery Co., \$13,069.70; Brockville Public Utilities Commission, \$13,792.16; Brook Woollen Co., \$69,799.51; Brookfield Bros., \$20,116.71; The Brookfield Construction Co. Ltd., \$181,747.40; The Brown Boggs Foundry & Machine Co. Ltd., \$71,406.11; B. W. Brown & Son, \$32,855.26; Brown & Rutherford Ltd., \$28,667.36; S. C. Brown, \$122,267.12; Browning-Harvey Ltd., \$10,182.97; Bruce Coal Co., \$103,788.84; Brunner Corporation Canada Ltd., \$59,853.12; Brunton Lumber Co. Ltd., \$24,305.58; Bryce Bakeries Ltd., \$22,951.06; Bryson's Bread Ltd., \$28,389.22; Buchan Construction Co., \$671,081.10; F. L. Buchanan Ltd., \$22,966.11; Buck X Ograph Co., \$10,711.34; Buckenfield's Ltd., \$35,358.60; Buckeye Traction Ditcher Company, \$1,081,551.93; Buffalo Cap & Neckwear Ltd., \$278,714.45; Builders Millwork & Cabinet Co., \$29,069.84; Builders Sales Ltd., \$64,040.34; Building Products Ltd., \$47,469.22; Bulmans Limited, \$11,443.74; W. W. Burdett & Co., \$24,832.02; Burgess Battery Co., \$13,799.89; Cecil Burgess, \$25,234.69; Burke Electric & X-Ray Co. Ltd., \$31,761.35; Burlec Ltd., \$109,469.35; Burns Bakery, \$13,534.46; Burns & Co. Ltd., \$1,128,183.54; P. Burns & Co. Ltd., \$39,766.80; Burrard Drydock Company Ltd., \$3,316,623.93; The Burritts Rapids Woollen Mills Ltd., \$69,510.96; Burroughs Wellcome & Co., \$23,854.16; Bush Service Corporation (Canada) Ltd., \$25,335.65; Butler Stampings and Machine Screws Ltd., \$19,816.66; The B.V.D. Co. Ltd., \$21,668.14.

The Cabot Bakery, \$13,984.22; Caldwell Linen Mills Ltd., \$12,708.43; City of Calgary, \$174,364.95; Calgary Power Co. Ltd., \$230,969.93; T. P. Calkin Ltd., \$17,858.77; Cambridge Instruments Co. Inc., \$62,991.86; Cameron Lumber Co. Ltd., \$103,138.81; Campbell Bros. and Wilson Ltd., \$36,245.43; Gordon Campbell Ltd., \$111,475.35; Campbell Steel and Iron Works Ltd., \$76,186.35; Campbell Wilson and Millar Ltd., \$10,944.91; Campbell Wilson and Strathdee Ltd., \$28,914.03; Canada Barrels & Kegs Ltd., \$13,475.07; Canada Block Co., \$11,257.03; Canada Bread Co., Ltd., \$178,576.59; Canada Cement Co. Ltd., \$85,828.32; Canada Coal Ltd., \$107,623.06; Canada Comforter Co. Ltd., \$348,441.26; Canada Creosoting Co. Ltd., \$73,636.37; Canada Cycle & Motor Co. Ltd., \$582,654.88; Canada & Dominion Sugar Co. Ltd., \$267,919.05; Canada Firebrick Co. Ltd., \$13,453.39; Canada Foundries & Forgings Ltd., \$45,534.30; Canada Ingot Iron Co. Ltd., \$37,687.11; Canada Iron Foundries Ltd., \$115,650.75; Canada Machinery Corporation Ltd., \$56,773.56; The Canada Metal Co. Ltd., \$41,071.59; Canada Packers Ltd., \$7,483,215.94; Canada Paint Co. Ltd., \$27,615.56; Canada Sand Papers Ltd., \$17,104.53; Canada Starch Sales Co. Ltd., \$29,478.54; Canada Steamship Lines Ltd., \$92,961.75; Canada West Shoe Mfg. Co. Ltd., \$155,582.34; Canada Western Cordage Co. Ltd., \$57,927.19; Canada Wire & Cable Co. Ltd., \$435,741.43; Canadian Acme Screw & Gear Ltd., \$26,344.16; Canadian Aircraft Instruments & Accessories Ltd., \$11,294.20; Canadian Airways Ltd., \$770,610.88; Canadian Allis-Chalmers Ltd., \$10,019.40; Canadian Associated Aircraft Ltd., \$30,705; Canadian Automotive, Trim Ltd., \$42,514.43; The Canadian Bag Co. Ltd., \$37,575.04; Canadian Bakeries Ltd., \$70,294.96; Canadian Bedding Co. Ltd., \$32,599.82; Canadian Bitumuls Co. Ltd., \$65,050.71; The Canadian Blower & Forge Co. Ltd., \$100,693.76; The Canadian Bridge Co. Ltd., \$206,441.74; Canadian Brown Steel Tank Co. Ltd., \$72,831.74; Canadian Cannery Ltd., \$266,737.25; Canadian Cannery (Western) Ltd., \$30,807.56; Canadian Cap & Hat Mfg. Co., \$28,452.75; Canadian Car & Foundry Co. Ltd., \$5,397,074.27; Canadian Comstock Co. Ltd., \$633,478.24; Canadian Converters Co. Ltd., \$111,034.34; Canadian Cottons Ltd., \$46,123.53; Canadian Cottons & Wool

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Waste Co. Ltd., \$14,530.23; Canadian Dental Trade Association, \$262,297.83; Canadian Dredge & Dock Co. Ltd., \$38,892.02; Canadian Dredging Co. Ltd., \$29,560.30; Canadian Dressed Meats Ltd., \$27,562.86; Canadian Duff-Norton Co. Ltd., \$12,609.47; Canadian Durex Abrasives Ltd., \$32,400.84; Canadian Elevator Equipment Co. Ltd., \$152,493.75; The Canadian Fairbanks-Morse Co. Ltd., \$875,415.67; Canadian Feather & Mattress Co. of Ottawa Ltd., \$14,763.85; Canadian Fire Hose Co. Ltd., \$32,088.21; Canadian Flag Manufacturing Co., \$11,169.95; Canadian General Electric Co. Ltd., \$2,071,382.28; Canadian General Lumber Co. Ltd., \$15,718.44; Canadian General Rubber Co. Ltd., \$384,456.62; Canadian Gypsum Co. Ltd., \$31,588.64; Canadian Ice Machine Co. Ltd., \$22,020.93; The Canadian Import Co. Ltd., \$164,576.86; Canadian Industries Ltd., \$792,169.98; Canadian Ingersoll-Rand Co. Ltd., \$452,473.64; Canadian International Paper Co., \$10,311.29; Canadian John Wood Mfg. Co. Ltd., \$64,526.88; Canadian Johns-Manville Co. Ltd., \$107,168.42; Canadian Knitting Co., \$103,532.67; Canadian Kodak Co. Ltd., \$293,668.78; Canadian Laboratory Supplies Ltd., \$16,874.50; Canadian Laco Lamps Ltd., \$27,667.07; Canadian Line Materials Ltd., \$10,436.29; Canadian Libbey Owens, \$244.200; Canadian Liquid Air Co. Ltd., \$64,256.98; Canadian Locomotive Co. Ltd., \$121,327.70; Canadian Lumber Co. Ltd., \$20,280.52; Canadian Marconi Co. Ltd., \$2,908,265.17; Canadian Motor Lamp Co. Ltd., \$78,673.19; Canadian National Carbon Co. Ltd., \$176,069.66; Canadian National Exhibition, \$213,576.09; Canadian National Institute for the Blind, \$31,459.30; Canadian National Express, \$182,073.50; Canadian National Railways, \$14,320,962.95; Canadian National Steamships, \$372,240.55; Canadian National Telegraphs, \$789,868.93; Canadian Office & School Furniture Ltd., \$31,891.11; Canadian Oil Companies Ltd., \$348,986.24; Canadian Ornamental Iron Co. Ltd., \$11,460.06; Canadian Pacific Express Co., \$205,228.14; Canadian Pacific Railway Co., \$31,210,049.30; Canadian Pacific Steamships, \$11,337.30; Canadian Poultry Sales Ltd., \$41,619.15; Canadian Power and Boat Co. Ltd., \$1,301,543.88; Canadian Pratt and Whitney Aircraft Co. Ltd., \$4,857,767.91; Canadian Public Booth Co. Ltd., \$12,775.88; Canadian Ramapo Iron Works Ltd., \$10,224.48; Canadian Rogers Sheet Metal and Roofing Ltd., \$21,837.38; Canadian Safety Fuse Co. Ltd., \$23,841.73; Canadian Shirt and Overall Co. Ltd., \$51,700.53; Canadian Sports Wear Mfg. Co., \$136,659.17; Canadian Steel Corporation Ltd., \$17,451.62; Canadian Steel Strapping Co. Ltd., \$21,401.28; Canadian Telephones and Supplies Ltd., \$377,684.48; Canadian Top and Body Corporation Ltd., \$343,050.35; Canadian Traction Ltd., \$199,816.38; Canadian Trade Corp Ltd., \$199,819.29; Canadian Triangle Conduit Co. Ltd., \$10,875.02; Canadian Tube and Steel Products Ltd., \$142,791.08; Canadian Utilities Ltd., \$44,629.81; Canadian Vickers Ltd., \$9,864,125.55; Canadian Warren-Pink Ltd., \$22,377.84; Canadian Western Lumber Co. Ltd., \$26,366.86; The Canadian Western Natural Gas, Light, Heat and Power Co. Ltd., \$121,952.19; Canadian Westinghouse Co. Ltd., \$1,107,672.74; Canadian White Pine Co. Ltd., \$44,659.87; Canadian Wright Ltd., \$1,993,969.65; Canadian Wm. A. Rogers, Ltd., \$18,616.45; Canadian Wood Pipe and Tanks Ltd., \$13,484.14; Charles Cantin, \$62,839.50; E. G. M. Cape & Co., \$6,646,494.17; Cape Polishes Ltd., \$62,237.36; Carnation Co. Ltd., \$339,272.99; Carpenter Motor Supply Ltd., \$13,929.41; Carrier and Goulet Regd., \$30,240.41; Hugh Carson Co. Ltd., \$229,060.88; J. B. Carswell, \$63,233.79; A. J. Carter Mfg. Co., \$30,634.17; Carter Construction Co. Ltd., \$650,247.43; E. B. Carter, \$30,093.65; Carter-Halls-Aldinger Co. Ltd., \$5,482,364.49; Carters Ink Co. of Canada Ltd., \$11,910.89; Cartier Construction Co. Ltd., \$52,376.48; Casavant Freres Ltd., \$47,565; R. Cassavechia, \$10,275; The Casselman Co., \$42,049.21; Cassidy's Ltd., \$128,042.97; Central Alberta Dairy Pool, \$14,603.25; Central Bridge Co. Ltd., \$27,633.80; Central Creameries Ltd., \$26,138.20; Central Manitoba Flying Training School Limited, \$350,102.71; Central Scientific Co. of Canada Ltd., \$27,689.51; Cessna Aircraft Co., U.S.A., \$10,572,866.15; Chadwick & Co., \$4,800,148.22; Chadwick-Carroll Brass and Fixtures Ltd., \$75,133.07; O. Chalifour Inc., \$14,881.62; Champion Spark Plug Co. of Canada Ltd., \$72,525.88; Champlain Oil Products Ltd., \$25,217.80; Chantier Maritime de St. Laurent Limitée, \$241,256.90; E. A. Chappell, \$17,550.22; M. R. Chappell, \$259,374.94; Chappelle & Watt, \$117,760.52; Chappells Ltd., \$57,330.34; Chateau Cheese Co., \$16,124.19; Chatham Malleable and Steel Products Ltd., \$143,627.54; Chemicals Ltd., \$38,653.39; Cherry Valley Cannery, \$21,348.98; Chess Bros. Ltd., \$17,805.80; W. G. Chester & Son., \$20,928.41; Children's Shoe Mfg. Co. Ltd., \$56,516.64; Chown Ltd., \$59,071.25; Christie, Brown & Co. Ltd., \$41,654.08; Christie Laundry, \$17,061.49; Chrysler Corporation of Canada Ltd., \$1,186,765.33; Citadel Merchandising Co. Ltd., \$10,767.72; Cities Service Oil Co. Ltd., \$47,450.35; City Dairy Ltd., \$29,637.82; Clare Bros. Western Ltd., \$249,763.30;

* Including \$18,660,907 on Munitions Account transferred to the United Kingdom Government.

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Clark Bros. & Co. Ltd., \$35,238.35; Clark Castor Co. Ltd., \$23,453.63; R. M. Clark Construction Co., \$17,210; Clark Fruit and Produce Co. Ltd., \$20,275.57; W. H. Clark Lumber Co. Ltd., \$18,533.39; Clark Ruse Aircraft Ltd., \$535,182.04; Clatworthy Lumber Co. Ltd., \$18,338.13; Clay, Adams Co. Inc., \$12,767.89; Claydon Co. Ltd., \$1,004,046.06; Clayton & Sons Ltd., \$895,080.54; Cleveland Dental Mfg. Co., \$13,592.72; Cleveland Pneumatic Tool Co. of Canada Ltd., \$14,263.13; Club Coffee Co., \$35,992.39; Cluet, Peabody & Co. of Canada Ltd., \$30,251.79; Coal Sellers Co. Ltd., \$77,386.82; Coast Construction Co. Ltd., \$1,099,802.66; Coastal Asphalt Products Ltd., \$29,032.24; Coates Ltd., \$112,555.62; Cobequid Power Co. Ltd., \$91,750.04; Cockburn & Archer, \$44,616.54; Cockfield, Brown & Co. Ltd., \$222,816.18; Cockshutt Plow Co. Ltd., \$928,897.01; Codarch Associates Inc., U.S.A., \$37,500; Code, Felt & Knitting Co. Ltd., \$70,841.52; Coderre Limitée, \$22,706.44; Colas Newfoundland Ltd., \$11,958.39; Colas Roads Ltd., \$218,474.93; The Coleman Lamp & Stove Co. Ltd., \$218,490.80; Coleman Packing Co. Ltd., \$134,286.28; Colgate-Palmolive-Peet Co. Ltd., \$40,924.87; Collett Frere Ltd., \$844,834.46; Wm. Collings & Sons Ltd., \$323,273.08; The Collingwood Shipyards Ltd., \$3,490,097.64; Colonial Weaving Co. Ltd., \$10,358.87; Colts Patent Fire Arms Mfg. Co., \$653,694.43; Columbia Bitulithic Ltd., \$156,530.51; R. B. Colwell Ltd., \$143,133.81; Combustion Engineering Corp. Ltd., \$10,364.30; Commercial Alcohols Ltd., \$17,623.62; Commercial Equipment Ltd., \$20,491.76; Commercial Tire (Alberta) Ltd., \$14,697.72; Community Coal Co., \$21,117.84; M. A. Condon & Son., \$602,096.98; Confederate Groceries, \$10,114.86; Conger Lehigh Coal Co. Ltd., \$58,848.23; Connaught Laboratories, \$112,247.09; J. E. and J. P. Connolly, \$75,368.10; Connolly & Twizell Regd., \$472,282.80; J. H. Connor & Son, Ltd., \$45,071.02; Connors Bros. Ltd., \$10,791.81; Consolidated Aircraft Corp., \$6,115,692.09; Consolidated Coal Co. Ltd., \$18,152.14; Consolidated Construction Co., \$60,808.04; Consolidated Engines and Machine Co., \$30,305.49; Consolidated Mining and Smelting Co. of Canada Ltd., \$29,923.81; Consolidated Optical Co. Ltd., \$96,014.75; Consolidated Paper Corp. Ltd., \$52,266.56; Constantine Ltd., \$22,970.56; The Consumers Gas Co. of Toronto, \$26,208.32; The Consumers Lumber Co. Ltd., \$38,633.30; Consumers Warehouse of Windsor Ltd., \$11,085.02; Continental Can Co. of Canada Ltd., \$25,382.28; Continental Glove Co. Ltd., \$102,397.46; Cook and Leitch, \$32,591.84; Cook Clothing Co. Ltd., \$946,178.93; Cooper Clothing Manufacturing Co. Ltd., \$47,474.80; Co-operative Packers of Ontario, \$18,972.76; D. V. Cope & Co., \$38,374.20; Copp Woollen Mills Ltd., \$91,070.44; Copley, Noyes and Randall Ltd., \$435,457.13; Corbeil Ltd., \$108,085.41; Corbett-Cowley Ltd., \$18,298.57; R. A. Corbett & Co. Ltd., \$184,714.08; Cordage Distributors Ltd., \$219,782.40; Corman Engineering Co. Ltd., \$72,970.39; Cornwall Pants and Prince Clothing Co., \$67,069.69; J. A. and M. Cote Ltd., \$479,105.20; Cotter Bros. Ltd., \$181,770.87; C-O-Two Fire Equipment of Canada Ltd., \$314,263.61; Coulter Copper and Brass Co. Ltd., \$163,717.16; Coulter Mfg. Co. Ltd., \$126,432.25; County Line Ltd., \$379,464.09; Couture and Toupin, \$29,263.50; Cow and Gate (Canada), Ltd., \$71,567.55; Cowan and Co. of Galt, Ltd., \$15,298.09; C. F. Cox, \$13,150.49; Craftools, \$14,429.51; Crane, Ltd., \$393,933.97; Creighton and Smith Motors, \$126,929.26; Crescent Creamery Co. Ltd., \$24,803.63; Crescent Fish Market, \$14,999.18; Cresswell-Pomeroy Ltd., \$12,861.55; Cross Supplies and Paving Ltd., \$16,151.33; Geo. W. Crothers Ltd., \$24,899.51; Crouse-Hinds Co. of Canada Ltd., \$122,177.01; J. J. Crowe Co., \$14,030.79; Crowe-Foulds Building Co., \$25,743.79; Crowley, Jacobs Mfg. Co., \$113,371.65; The Crown Diamond Paint Co. Ltd., \$24,116.66; The Crown Lumber Coal and Supply Co. Ltd., \$27,741.87; Crown Pants Co., \$10,844.46; Crown Paving and Construction Co., \$324,745.13; Crude Oil Engine and Engineering Co. Ltd., \$15,920.28; Cruickshank Guild Ltd., \$35,394.46; Crystal Dairy Ltd., \$35,045.74; Cub Aircraft Corporation Ltd., \$16,847.10; Cumming and Dobbie, \$10,254.25; N. M. Cummings, \$18,129.44; S. Cunard & Co. Ltd., \$118,850.44; Cunard White Star Ltd., \$1,249,103.53; W. H. Cunningham and Hill Ltd., \$10,355.26; Curran Briggs Ltd., \$503,721.51; G. S. Currie, \$10,042.58; T. W. Curry, \$31,297.76; A. B. Cushing Mills Ltd., \$11,029.76; Cusson Bros. Ltee., \$27,497.33; Custodis Canadian Chimney Co., \$13,274.10.

Daigle & Paul Ltd., \$22,566.52; The Dairy Pool, \$12,844.88; Dalhousie University, \$11,242.54; W. B. Dalton & Sons Ltd., \$26,351.20; Daniels Coal Wood Service, \$12,850.17; George Dansereau & Fils Limitée, \$38,584.85; Darling Bros. Ltd., \$32,676.25; Dartmouth Lumber Co. Ltd., \$79,100.13; Town of Dauphin, \$97,539.21; James Davidson's Sons, \$11,852.70; Davie Shipbuilding & Repair Co., \$2,954,465.23; Geo. T. Davie Sons, \$1,167,157.16; Davis & Fraser Ltd., \$210,412.08; Davis & Geek Inc., \$13,081.47; Mayno Davis Lumber Co., \$43,993.57; Wm. Dawe Sons Ltd., \$104,142.38; Dawson Wade Co., \$159,784.29; John E. Day, \$40,000;

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

The Deacon Shirt Co., \$515,650.14; Dean Coal Company, \$28,140.45; B. W. Deane Co. Ltd., \$14,644.45; Deblois Bros., \$11,091.67; Defence Industries Ltd., \$484,266.44; DeHavilland Aircraft (Canada) Ltd., \$8,426,905.14; Delamere & Williams Ltd., \$21,255.03; Dempster's Staff of Life Ltd., \$40,961.76; Denisteel Corp. Ltd., \$39,137.60; Derrett Ltd., \$12,413.60; Desautels Laboratories Ltd., \$21,086.59; Omer Deserres Ltd., \$46,039.43; A. Deslauriers & Fils Ltd., \$91,648.97; DeVilbiss Manufacturing Co. Ltd., \$31,960.38; Devon Lumber Co. Ltd., \$16,205.65; Devonshire Clothes Ltd., \$555,030.46; T. A. S. Dewolfe & Son, \$13,218.04; Dexter Construction Co. Ltd., \$549,969.21; Diamond Cleanser Soaps Ltd., \$11,659.26; Diamond Construction Co. Ltd., \$207,792.92; Diamond Motor Car Co., U.S.A., \$4,665,462.98; Diamond State Fibre Co. of Canada Ltd., \$10,765.82; Dibblee Construction Co. Ltd., \$1,127,859.71; Dickson Importing Co., \$11,104.99; Dictaphone Sales Corp., \$20,258.24; Diggon-Hibben Ltd., \$33,999.78; Dill Manufacturing Co. of Canada Ltd., \$10,704.10; W. E. Dillon Co. Ltd., \$51,256.34; Direct Winters Transport, \$19,559.65; C. E. Disher, \$16,249.15; Henry Disston & Sons Ltd., \$16,320.43; Ditto of Canada Ltd., \$15,425.19; D. M. C. Cap Mfg. Co. Ltd., \$89,236.53; Harvey E. Dodds, Ltd., \$14,401.48; Joseph Dolan & Sons Ltd., \$22,343.76; Charles B. Dolphin, \$51,960; Dominion Atlantic Railway, \$20,003.93; Dominion Bedding Co., \$148,663.74; Dominion Bridge Co. Ltd., \$3,849,181; Dominion Brush Manufacturing Co. Ltd., \$39,651.62; Dominion Chain Co. Ltd., \$162,901.36; Dominion Coal Co. Ltd., \$362,944.91; Dominion Construction Co., \$899,570.88; Dominion Crest Co., \$16,925.96; Dominion Duplicators Ltd., \$18,868.40; Dominion Electric Power Co. Ltd., \$27,289.31; Dominion Electric Protection Co., \$198,193.25; Dominion Electrohome Industries Ltd., \$52,949.23; Dominion Engineering Co. Ltd., \$893,982.45; Dominion Fabrics Ltd., \$77,232.59; Dominion Fish & Fruit Ltd., \$11,342.42; Dominion Foundries & Steel, Ltd., \$501,593.27; Dominion Fruit Ltd., \$11,190.46; Dominion Garment Co. Ltd., \$28,419.45; Dominion Glass Co. Ltd., \$15,724.72; Dominion Hoist & Shovel Co. Ltd., \$72,884.42; Dominion Linseed Oil Co. Ltd., \$14,696.28; Dominion Merchants Co. Ltd., \$120,547.52; Dominion Oilcloth & Linoleum Ltd., \$71,521.21; Dominion Oxygen Co. Ltd., \$47,230.10; Dominion Plywood Ltd., \$15,471.35; Dominion Road Machinery Co., \$37,962.35; Dominion Rubber Co. Ltd., \$1,974,182.93; Dominion Safe & Vault Co. Ltd., \$24,095.63; Dominion Sanitary Wipers Co., \$29,183.24; Dominion Shoe Ltd., \$13,330.65; Dominion Shuttle Co. Ltd., \$10,309.48; Dominion Skyways Ltd., \$1,106,785.64; Dominion Sound Equipment Co., \$10,744.68; Dominion Steel & Coal Corp., Ltd., \$115,142.78; Dominion Textile Co. Ltd., \$583,019.15; Dominion Truck Equipment Co. Ltd., \$474,302.39; Dominion Twist Drill, Ltd., \$49,603.44; Dominion Wire Rope & Cable Co. Ltd., \$65,397.44; Dominion Woollens & Worsteds, Ltd., \$395,868.33; Donahue Corporation of Canada, Ltd., \$29,330.96; James Donahue Ltd., \$16,090.88; Donald Inspections Ltd., \$12,023.04; Donald Ropes & Wire Cloth Co., \$29,232.29; Doncaster Construction Co., \$385,056.06; James T. Donelly Co. Ltd., \$13,976.54; Doon Twines Ltd., \$36,191.95; Doran Construction Co. Ltd., \$145,786.48; Do-Ray Lamp Co. Inc., \$14,980.65; Dorosz Bros., \$29,982.74; Dorothea Hats Ltd., \$55,961.17; The Dorr Co. Ltd., \$39,429.75; Douglas & Co. Ltd., \$17,658.70; Douglas Aircraft Co., \$368,280.07; J. R. Douglas Ltd., \$144,689.17; Downs, Coulter & Co. (Canada) Ltd., \$17,203.03; Dowsell, Lees & Co. Ltd., \$17,467.11; Dowty Equipment, Ltd., \$547,729.79; William Doyle Ltd., \$17,040.18; Drake Gibson Coal Ltd., \$28,896.61; Louis Drinka, \$10,809.96; Drumheller Coal Corp., \$23,571.96; Drummond, McCall & Co. Ltd., \$185,481.90; Drummondville Cotton Co. Ltd., \$105,812.80; Drury's Supplies, \$19,304.26; Ludger Duchaine, Inc., \$75,352.65; A. N. Duff, \$43,584.68; Dufferin Paving Co. Ltd., \$689,711.68; Dufferin Shipbuilding Co. Ltd., \$2,379,989.38; Duke Equipment Company, \$15,299.94; Dumarts Ltd., \$10,405.14; Duncan Products, \$16,474.34; Dundas Woollens Mills, \$57,571.31; Dunlop Tire & Rubber Goods Co. Ltd., \$1,194,599.55; Leslie C. Dunn, \$14,444.80; Duplate Safety Glass Co. of Canada, Ltd., \$173,755.80; E. I. Dupont de Nemours & Co. Inc., \$76,782.61; J. P. Dupuis Ltd., \$13,437.46; Durable Waterproofs Ltd., \$12,600; Duranceau & Duranceau, \$84,282.92; Duro Aluminum Ltd., \$24,776.40; Dutton Bros. & Co., \$524,335.36.

Eagle Lumber Co. Ltd., \$13,374.82; Eagle Shoe Co. Ltd., \$530,130.96; S. A. Early & Co., \$11,414.56; John East Iron Works, \$13,248.17; Eastern Air Lines Inc., \$18,230.98; Eastern Bakeries Ltd., \$21,912.76; Eastern Canada Coastal Steamships, \$32,313.38; Eastern Hay & Feed Co. Ltd., \$117,232.96; Eastern Light & Power Co. Ltd., \$39,663.66; Eastern Ontario Flying Training School, Ltd., \$400,729.49; Eastern Steel Products, Ltd., \$776,986.45; Eastern Trust Co., \$26,289.49; Easy Washing Machine Co. Ltd., \$61,700.79; Eaton Knitting Co. Ltd., \$765,230.24; T. Eaton Co. Ltd., \$4,503,725.48; T. Eaton Realty Co. Ltd., \$13,000;

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Eau Claire Sawmills Ltd., \$13,782.04; Eberhard & Walker Ltd., \$11,296.21; E. B. Eddy Co. Ltd., \$99,846.46; W. G. Edge Ltd., \$68,123.89; City of Edmonton, \$78,700.76; Edmonton Flying Training School Ltd., \$385,897.84; D. Kemp Edwards Ltd., \$17,140.25; J. E. Edwards & Sons Ltd., \$17,902.17; W. C. Edwards & Co. Ltd., \$62,872.65; Eedy's Bakery, \$10,860.78; Electric Auto-Lite Ltd., \$12,548.08; Electric Tamper & Equipment Co. of Canada Ltd., \$36,483.45; Elgee Manufacturing Co., \$31,541; Elie Coal Ltd., \$43,509.11; J. Elkin Co. Ltd., \$94,154.90; Elliott, Marr Co. Ltd., \$19,528.58; Ellis & Howard Ltd., \$11,072.50; W. E. Emerson & Sons Ltd., \$106,624.37; Emond & Cote, Reg'd., \$98,542.76; Empire Brass Manufacturing Co. Ltd., \$119,945.98; Empire Construction Co. Ltd., \$70,263.91; Empire Fire Extinguisher Co., \$76,115.69; Empire-Hanna Coal Co., \$43,679.85; Enamel & Heating Products Ltd., \$129,546.18; Engineering Products of Canada Ltd., \$647,423.06; Engineering & Research Corp., \$65,490; Engineering Tool & Forgings, Ltd., \$47,876.99; English & Mould Ltd., \$44,137.69; Enterprise Contracting, \$55,359.02; Enterprise Foundry Co. Ltd., \$72,096.70; Enterprise Mfg. Co. Ltd., \$11,009.94; Enterprise Tool & Gear Corp., \$14,624.25; Essex Terminal Railway Co., \$11,850.36; T. H. Estabrooke Co. Ltd., \$420,668.48; John Etherington Ltd., \$42,350; Evans & Co. Ltd., \$29,109.68; Evans, Coleman & Evans Ltd., \$29,217.06; Evans, Coleman & Johnson Bros. Ltd., \$36,690.29; Evans Gravel Surfacing Co. Ltd., \$245,875.95; J. Eveleigh & Co. Ltd., \$21,530.01; Everready Cleaners Ltd., \$32,196.85; William Ewing, \$18,401.56; Exide Batteries of Canada Ltd., \$186,064.07.

C. P. Fabien Ltée, \$29,067.27; Fairchild Aircraft Ltd., \$15,605,199.08; Fairchild Engine & Airplane Corp, \$487,395.32; Fairfield & Sons Ltd., \$121,963.72; Fairgrieve & Son Ltd., \$18,632.86; Farley Wholesale Produce, \$13,524.26; Farmers Co-operative Creamery Co. Ltd., \$12,504.80; Farmers Co-operative Dairy Co. Ltd., \$31,860.75; Fashion Craft Manufacturers Ltd., \$323,397.41; F. W. Fearman Co. Ltd., \$35,073.65; Federal Aircraft Ltd., \$357,615.92; Federal Belting & Asbestos Co. Ltd., \$18,151.67; Federal Equipment Ltd., \$15,279.48; Federal Laboratories Inc., \$122,377.50; Federal Sales & Engineering Ltd., \$26,565.10; Federal Typewriter Co. Ltd., \$242,681.10; Federal Wire & Cable Co. Ltd., \$66,644.73; S. A. Felton & Son Co., \$14,324.56; T. S. Fenwick, \$22,481.66; Fergusson Atlantic Underwear, Ltd., \$332,927.14; Ferranti Electric Ltd., \$104,210.32; Ferry Coal Ltd., \$42,642.03; J. G. Field & Son, \$17,280; Filer Smith Machinery Ltd., \$29,037.16; Findlays Ltd., \$20,418.89; H. Fine, \$13,780.62; E. W. Finnie, \$11,860.06; Firestone Tire & Rubber Co. of Canada, \$1,341,005.44; First Co-operative Packers of Ontario, Ltd., \$175,773.05; Firth Bros. Ltd., \$445,707.72; Thos. Firth & John Brown Ltd., \$18,136.47; F. W. Fischer, \$38,840.80; Fisher Bros. Inc., \$31,799.08; Fisher & Burpe, Ltd., \$27,089.10; Flavelles Ltd., \$45,899.25; Alexander Fleck Ltd., \$116,970.68; Fleck Bros. Ltd., \$20,519.65; Fleet Aircraft Ltd., \$3,994,073.22; Lawrence Fletcher, \$16,217.38; F. W. Flett, \$91,071.64; John Flood & Sons Ltd., \$148,985.14; Fontaine & Fils Ltd., \$16,599.67; Footwear Findings of Canada Ltd., \$13,390.53; D. W. Forbes, \$10,547.14; Ford Motor Co. of Canada Ltd., \$20,067,448.08; Formica Insulation Co., \$11,667.87; John Forsyth Ltd., \$109,687.12; Fort Rouge Coal Co., \$14,102.04; Foundation Co. of Canada Ltd., \$15,020.47; Foundation Maritime Ltd., \$588,054.30; Four Wheel Drive Auto Co. Ltd., \$1,213,367.79; Eudore Fournier Ltd., \$155,771.82; Fowler's Canadian Co. Ltd., \$190,718.04; Francis Bakery, \$38,411.24; Fraser Company, \$11,242.87; Fraser Companies Ltd., \$55,695.17; Fraser & Casey Ltd., \$10,761.48; Fraser, MacDonald & Co. Ltd., \$88,601.40; Fraser Valley Milk Producers' Association, \$81,977.89; Freed & Freed Limited, \$99,493.09; The Freedman Co., \$39,346.50; G. M. French Lumber Co., \$13,216.86; Frid Construction Co. Ltd., \$792,783.89; Fried Construction Co., \$112,775.16; Frontenac Construction Co., \$88,602.63; Frontenac Overall Ltd., \$33,542.20; Frontenac Quarries Ltd., \$20,354.03; Chas. E. Frosst & Co., \$13,704.96; Frost Steel & Wire Co. Ltd., \$77,560.84; Frost & Wood Co. Ltd., \$32,686.01; Frothingham, Starke, Seybold, Ltd., \$14,106.85; Fry, Cadbury, Ltd., \$10,871.04; Fudge's Snowsedans, \$11,224.77; Gordon H. Fuller Construction Co., \$96,322.13; Fundy Construction Co. Ltd., \$986,024.04; Furness, Withy & Co. Ltd., \$1,343,884.71; Fyr-Fyter Co. of Canada Ltd., \$23,970.73.

Gainers Ltd., \$286,853.87; Gair Co. of Canada Ltd., \$24,166.77; Gale Bros. Ltd., \$234,208.87; Galt Art Metal Co. Ltd., \$29,472.76; Galt Knitting Co., \$68,447.62; Galt Malleable Iron Co. Ltd., \$29,789.60; Gamble-Robinson, Ltd., \$189,912.59; Gandy & Allison Ltd., \$11,660.97; Garage Supply Co. Ltd., \$15,760.92; P. W. Gardiner & Son Ltd., \$14,276.84; Gardner Engines (Eastern Canada) Ltd., \$118,081.13; Gardner Equipment Co. Ltd., \$18,774; John M. Garland Son & Co., \$15,091.64; Garlock Packing Co., \$20,893.96; Gartshore-Thomson Pipe & Foundry Co., \$22,624.79; Alex I. Garvock, \$186,979.45; Gar Wood Industries

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

of Canada Ltd., \$166,410.64; Gas & Oil Products Ltd., \$37,095.62; Henry Gatehouse & Son, Inc., \$26,464.51; Gatineau Power Co., \$10,132.26; Gault Bros Ltd., \$115,488.34; J. R. Gaunt & Son (Canada) Ltd., \$27,764.67; Julien Gauthier, \$56,885.50; J. Gauvin, \$20,098.54; Geer, Byers Fuels, \$16,762.53; General Arc Lighting Co. Ltd., \$203,173.80; General Coal Co., \$34,194.82; General Construction Co. Ltd., \$2,102,043.86; General Dairies Ltd., \$25,292.27; General Dry Batteries of Canada Ltd., \$38,811.23; General Electric X-Ray Corp, U.S.A., \$45,939.55; General Engineering Co. (Canada) Ltd., \$128,237.57; General Films Ltd., \$11,504.48; General Fire Truck Corp., \$11,142.85; General Milk Products Ltd., \$136,830.89; General Motors Products of Canada Ltd., \$7,908,996.52; General Steel Casting Corporation, \$715,173; General Steel Wares Ltd., \$1,912,838.48; General Supply Co. of Canada, \$496,843.55; General Tire & Rubber Co. of Canada Ltd., \$22,002.03; General Trust & Executors Corp., \$10,561.42; Paul E. Germain Lumber Co., \$15,261.65; Wm. Gerry & Sons, \$21,029.10; Gibb & Ellwood Lumber Co. Ltd., \$11,406.37; Gibbard Furniture Shops Ltd., \$12,180.01; Gibbs Bros., \$12,169.77; F. R. Gibbs, \$57,333.05; R. E. Gibson, \$53,853.03; Gillette Safety Razor Co. of Canada \$130,693.34; Gillies Aviation Corporation, \$13,936.65; Gillies Bros. Ltd., \$49,780.55; Gillies-Guy Ltd., \$29,412.09; Gilson Manufacturing Co. Ltd., \$21,247.47; Glasco Ltd., \$18,269.51; Glen Roy Creamery, \$49,020.20; Glen Textile Industries Ltd., \$113,655.53; Globe Bedding Co., \$20,380.68; Globe Laundry Co., \$42,575.51; The Goderich Organ Co. Ltd., \$23,372.41; Godson Contracting Co., \$58,658.79; Edouard Gohier Ltd., \$15,137.27; Gold Glove Works, \$21,523.07; Goldsmiths' Co. of Canada Ltd., \$44,963.33; Gooderham & Worts Ltd., \$37,968.38; Goodrich Refining Co. Ltd., \$96,628.55; B. F. Goodrich Rubber Co., \$517,239.59; Goodyear Humber Stores Ltd., \$20,872.35; R. C. Goodyear, \$10,150; Goodyear Tire & Rubber Co. of Canada Ltd., \$2,720,427.60; Gordon & Belyea Ltd., \$63,982.53; Gordon Boat Works, \$13,119.35; T. C. Gorman (Nova Scotia) Ltd., \$401,848.33; Gotfredson Corp. Ltd., \$76,834.87; Gourock Ropes & Canvas Ltd., \$10,960.62; P. W. Graham & Sons Ltd., \$645,333.99; Granby Elastic Web Ltd., \$22,779.15; Grand'Mère Knitting Co. Ltd., \$137,364.41; Grand Falls Farm, \$10,990.76; Grand Trunk Pacific Development Co. Ltd., \$1,733,646.36; Grant Contracting Co. Ltd., \$55,473.36; J. J. Grant Ltd., \$23,400.63; Stanley A. Grant, \$63,624.77; Albert Grass, \$11,849.25; Alphonse Gratton, \$18,683.25; Gray-Bonney Tool Co. Ltd., \$75,378.09; Gray Coach Lines Ltd., \$25,835.89; Great Atlantic & Pacific Tea Co. Ltd., \$32,304.03; Great West Coal Co. Ltd., \$58,210.01; Great West Distributors Ltd., \$10,727.15; Great West Saddlery Co. Ltd., \$15,624.32; Great Western Garment Co. Ltd., \$1,029,798.89; Greavette Boats Ltd., \$333,261.75; Green's Manufacturing House Ltd., \$56,668.11; Greenfield Tap & Die Corp., \$31,034.63; B. Greening Wire Co. Ltd., \$96,164.46; Greenwood Canoe Company, \$17,499.40; Gregg Manufacturing Co. Ltd., \$12,507.49; Grew Boats Ltd., \$198,603.25; G. A. Grier & Sons Ltd., \$20,989.99; Grimmer-Wilson Manufacturing Co. Ltd., \$25,281.24; Grinnell Co. of Canada Ltd., \$26,082.32; Grover Mills Ltd., \$228,496.18; M. H. N. Gruner & Co., \$14,707; City of Guelph, \$26,788.24; Guilfords Ltd., \$22,287.40; Gunite Waterproofing Ltd., \$25,025; Gunn Garment Ltd., \$37,633.74; E. & A. Gunther Co. Ltd., \$20,988.66; Gurney Foundry Co. Ltd., \$127,198; Gurney Scale Co. Ltd., \$12,634.91; Gutta Percha & Rubber Co. Ltd., \$378,954.97; Gypsum Lime & Alabastine, Canada, Ltd., \$40,840.32.

Hagan & Co. Ltd., \$99,124.54; Haliburton & White, Ltd., \$40,219.92; Halifax-Bermuda Cable Co., \$40,458.98; City of Halifax, \$59,863.28; Halifax Shipyards Ltd., \$1,328,684.10; Halifax Steam Laundry Ltd., \$18,149.63; Halifax Transfer Co. Ltd., \$43,768.84; Hall & Co. Ltd., \$12,584.30; Hall Construction Co., \$31,151.95; Hall Fuel Co. Ltd., \$32,432.76; Hall Gear & Machine Company, \$36,050.84; Hall Machinery Co., \$142,151.59; Richard Hall & Sons, \$263,133.69; R. M. Hall, \$11,963.28; Hall-Scott Motor Car Co., \$516,945.76; Halliday Craftsmen Ltd., \$16,803.45; Halliday, Dubé, Lumber Co., \$53,664.84; Hamilton Bridge Co., \$894,764.53; Hamilton By-Product Coke Ovens, Ltd., \$53,774.99; City of Hamilton, \$22,785.29; Hamilton Cotton Co. Ltd., \$13,376.99; Hamilton Flying Training School, \$420,933.38; Hamilton Uniform Cap Co., \$119,293.17; Hammant Steel Car & Engineering Works, \$17,020.64; Hammond Furniture Co. Ltd., \$10,022.24; Hampton Manufacturing Co. Ltd., \$36,146.64; T. H. Hancock Ltd., \$19,876.02; T. W. Hand Fireworks Co. Ltd., \$591,795.14; George E. Hanson, \$112,069.60; Hantsport Fruit Basket Co., \$18,863.54; W. J. Hardin, \$15,975.12; Hardings Carpets Ltd., \$15,429.19; Harley-Davidson Motor Co., \$3,636,951.77; Harley-Kay, Ltd., \$51,769.03; J. B. Harper, \$32,359.31; J. & D. A. Harquail Co. Ltd., \$13,661.93; Harrington & Richardson, \$127,398.86; Harrison Co., \$40,820.27; W. H. Harrison & Sons, \$15,288.31; Hart Boot & Shoe Co. Ltd., \$57,366.07; J. F. Hartz Co. Ltd., \$79,397.82;

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

A. Harvey Co., \$77,694.49; Harvey Co. Ltd., \$23,347.59; J. A. Haugh Manufacturing Co., \$34,726.40; Hawkesbury Glove Works, \$20,756.58; Hawley Products of Canada Ltd., \$147,499.22; John Hay & Co. Ltd., \$107,485.91; Hayes Steel Products Ltd., \$25,036.66; R. B. Hayhoe & Co. Ltd., \$33,724.61; Hayhurst & Woodhouse Ltd., \$21,516.05; Heaps Engineering Co. Ltd., \$95,891.79; A. W. Heise & Company Ltd., \$438,272.57; G. H. Heise Co. Ltd., \$54,723.96; Hemlock Park Dairy Ltd., \$12,224.78; H. Hemming, \$112,997.25; George M. Hendry Co. Ltd., \$10,430.08; John Heney & Son, \$241,778.04; M. B. Henniger, \$74,344.72; Hepburn Bros., \$89,811.89; Hercules Mfg. Co. Ltd., \$318,699.05; Milton, Hersey Co. Ltd., \$10,509.67; Hickman Tye Hardware Co. Ltd., \$65,723.06; J. H. Hicks & Sons, \$37,386.64; Hield Bros. Ltd., \$26,544.24; High River Flying Training School Ltd., \$555,907.60; Hill-Clarke-Francis Ltd., \$1,825,990.20; Hillis & Sons Ltd., \$31,074.17; Norman Hilsden, \$16,004.10; Hilton Bros. Ltd., \$26,276.10; Hinchley, Myers Co., \$27,479.56; Hinde & Dauch Paper Co., \$10,786.95; Samuel Hisey & Son, \$20,801.24; Hobart Manufacturing Co. Ltd., \$132,714.01; Hobbs Glass Ltd., \$45,113.34; Hobbs Hardware Co. Ltd., \$15,622.38; Hochelaga Petroleum Co., \$12,009.90; Hodge Coal Co. Ltd., \$32,885.28; Hodgson, Rowson & Co. Ltd., \$61,474.64; T. Hogan & Co., \$23,841.39; Holderoft Construction Co. Ltd., \$38,066.95; The Holden Co. Ltd., \$31,964.71; S. S. Holden Ltd., \$1,489,860.65; R. M. Hollingshead Co. of Canada Ltd., \$52,284.10; Hollup Corp. Ltd., \$24,767.63; R. T. Holman Ltd., \$55,800.94; Ernest Holmes Co., \$52,867.15; Home Laundry, \$15,759.05; Home Oil Distributors Ltd., \$81,454.61; H. M. Hopper Co. Ltd., \$12,562; Horgan's Bakery, \$19,642.50; Horn Bros. Woollen Co. Ltd., \$146,128.76; Horne & Pitfield Ltd., \$103,630.75; Frank Horner Ltd., \$17,892.22; Hornstrom Bros., \$264,580.05; Horton Steel Works Ltd., \$254,098.50; Horwood Lumber Co. Ltd., \$13,681.31; Houde, Laroche & Cie, \$21,074.86; House & House Hardware, \$12,902.04; Howard Furnace Co., \$243,765.20; Howards Ltd., \$83,181.04; Hubbard Portable Oven Co. of Canada Ltd., \$14,923.06; Hudson's Bay Co., \$165,200; The Hughes Keenan Co., \$38,850; Hull Iron & Steel Foundries Ltd., \$20,183.71; J. A. Humphrey & Sons, Ltd., \$18,799.26; Frank Hunnisett Ltd., \$272,043.30; Walter G. Hunt Co. Ltd., \$46,466.90; Hunter Boat Works, \$219,454.19; Hunter's Food Industries, \$32,140.88; Hunter's Manufacturing Co., \$10,002.16; Huntingdon Woollen Mills Ltd., \$186,715.24; Huron County Flying Training School Ltd., \$389,674.87; Hyde Park Clothes Ltd., \$209,815.51; Hydro-Electric Power Commission, \$497,757.48; Hygiene Products Ltd., \$20,417.87; Hygrade Metal Products Co., \$27,540.85; Wm. Hyman & Sons, Ltd., \$12,111.29; C. S. Hyman Co. Ltd., \$92,631.59.

Ideal Launderers & Dry Cleaners, \$11,386.52; Imperial Cloth Co., \$11,042.78; Imperial Fuels, \$90,278.27; Imperial Iron Corp. Ltd., \$29,565.05; Imperial Laundry, \$29,514.26; Imperial Oil Ltd., \$11,299,261.94; Imperial Optical Co., \$13,092.05; Imperial Tobacco Co. of Canada Ltd., \$42,126.63; Imperial Typewriters of Canada Ltd., \$45,317.03; Independent Coal & Lumber Co., \$31,693.32; Independent Fish Co., \$13,524.43; Indian Cove Coal Co., \$52,248.93; Indian Motorcycle Co. Ltd., \$31,664.07; Industrial Construction Co., \$46,833.18; Industrial Equipment Co. Ltd., \$10,845.26; Industrial Finance Corp. Ltd., \$30,653.96; Ingersoll Cream Cheese Co., \$26,996.70; Ingersoll Machine & Tool Ltd., \$68,970.14; John Inglis Co. Ltd., \$25,465.81; Ingram & Bell Ltd., \$104,509.41; J. S. Innes Ltd., \$37,626.32; Instruments Ltd., \$571,215.10; Insurance Exchange Corporation Ltd., \$15,053.43; Intercontinental Pork Packers Ltd., \$10,925.10; Interlake Tissue Mills Co. Ltd., \$14,138.40; International Business Machines Co. Ltd., \$55,625.92; International Fibre Board, Ltd., \$34,772.34; International Flare Signal Co. Ltd., \$707,383.98; International Harvester Co. of Canada Ltd., \$1,263,687.14; International Metal Industries Ltd., \$37,740.42; International Paints of Canada Ltd., \$156,904.22; International Petroleum Co., \$30,861.50; International Silver Co. of Canada Ltd., \$204,554.45; International Water Supply Ltd., \$179,694.96; Iron Fireman Mfg. Co. of Canada Ltd., \$228,377.56; Irvin Air Chute Ltd., \$919,782.91; Irving Oil Ltd., \$157,143; Irvington Varnish & Insulator Co. of Canada Ltd., \$14,285.59; R. Grandy Irwin, \$33,232.58; Island Building Supply Co., \$20,703.83; Island Tug & Barge Co., \$12,262.75; Ives Bedding Co. Ltd., \$37,146.55.

Jackson-Cochrane Ltd., \$13,185.21; J. B. Jackson Ltd., \$14,591.83; Jackson's Bread Ltd., \$12,337.52; Jacobs Aircraft & Engine Co., \$7,700,503; James Bros. Ltd., \$22,871.15; James Coal Co., \$15,185.49; F. T. James Co. Ltd., \$251,175.64; A. Janin Building Co. Ltd., \$4,087,659.66; Jefferies Sons Ltd., \$11,524.96; Jenkins Bros. Ltd., \$11,758.86; Jericho Country Club, \$89,171.24; Jeune & Bros. Ltd., \$87,394.27; Jobb Bros. Co., \$18,314.39; Johnson Bros. Co. Ltd., \$416,310.89; Johnston & Clarke, \$15,659.55; Johnson & Johnson Ltd., \$108,948.64;

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Johnson Woollens Mills Ltd., \$242,156.15; Johnstone Dairies Ltd., \$145,362.50; Jones-Schofield-Hatheway, Ltd., \$35,042.06; Jones Tent & Awning Ltd., \$135,474.26; Joseph Co. Ltd., \$18,687.25; A. E. Jupp Construction Co., \$11,586.23.

K. B. B. Manufacturing Co. Ltd., \$11,933.33; H. E. Kane & Co. Ltd., \$18,222.09; Katchen Bros., \$116,518.66; Kaufman Rubber Co. Ltd., \$611,230.40; James R. Kearney Corp. of Canada, \$11,441.69; Keating Sons Co., \$45,557.57; E. Keddy, \$13,893.05; Chris Keenan & Sons Ltd., \$40,119.16; Kelly, Cracknell Ltd., \$59,619.94; Kelly, Douglas & Co. Ltd., \$171,713.48; W. H. Kelly, \$21,956.29; Kelsey Wheel Co. Ltd., \$113,942.46; Kelsey, Hayes Wheel Co., \$14,151.99; Kelvin, Bottomley & Baird Ltd., \$29,065.05; Kelvinator of Canada Ltd., \$94,386.13; Kendall Refining Co. of Canada Ltd., \$37,935.09; Kennedy Construction Co., \$32,794.56; O. V. Kennedy, \$18,055.03; Wm. Kennedy Sons Ltd., \$79,062.31; James N. Kenney, \$200,431.34; Kent Dairy, \$11,536.65; Town of Kentville, \$18,342.32; Kenwood Mills Ltd., \$308,672.75; Kermath Manufacturing Co. Ltd., \$45,817.99; Keyes Supply Co. Ltd., \$17,194.59; Keystone Contractors Ltd., \$13,873.90; Walter Kidde & Co. of Canada, \$387,100.52; A. W. Kierstead Ltd., \$37,740.87; Kiffe Sales Co., \$15,373.50; Kincardine Pure Ice & Fuel Co., \$29,206.43; King Paving Co., \$120,697.70; Ray King, \$10,352.38; Kingham-Gillespie Coal Co., \$22,790.83; Kings College, \$31,290; Kingston Creameries Ltd., \$34,702.38; Kingston Ice Fuel Co., \$10,839.64; Kingston Public Utilities Commission, \$39,505.62; Kingston Shipbuilding Co., \$1,240,775.93; Kirk Coal Co. Ltd., \$36,582.24; Kitchen Bros. Ltd., \$15,646.34; Kitchen Overall & Shirt Co. Ltd., \$108,190.73; Knechtels Ltd., \$16,548.67; Kneens Builders Supply, \$19,466.97; Knit-To-Fit Mfg. Co. Ltd., \$32,450.20; Knitters Ltd., \$134,997.84; W. J. Knox Ltd., \$14,768.72; Komo Construction Ltd., \$91,088.87; Wilfred Koritem, \$15,873.13; Kraft Containers Ltd., \$17,785.86; Kraft-Phenix Cheese Co. Ltd., \$66,604.31.

F. X. Lachance, \$13,526; Lachance & Tanguay Reg'd., \$74,884.49; La Coopérative Fédérée de Québec, \$125,198.70; La filature de L'Isle-Verte, Enreg., \$22,435.11; La filature du Saguenay, Ltée, \$54,067.39; La France Fire Engine & Foamite Ltd., \$549,871.98; La France Textiles Ltd., \$53,910.65; Laidlaw Lumber Co. Ltd., \$125,582.73; Lake of the Woods Milling Co., \$10,389.71; Lakeside Coals Ltd., \$147,976.95; Lakeview Pure Milk, \$43,625.45; Lakeway Lines Ltd., \$23,264.13; Lally Coal & Wood Co., \$19,932.57; Lambert Germain Milne, \$56,207.13; Lampron Shirt Co., \$12,854.36; Lane Bakeries, \$24,479; Lannan Coal Co. Ltd., \$25,363.64; Laporte-Hudon-Hebert Ltée, \$18,629.49; H. R. Large & Co., \$83,781.63; Larned Carter Co. Ltd., \$30,045.69; Laurentian Air Services Ltd., \$23,138.85; Laurentide Equipment Co. Ltd., \$37,097.68; Law Construction Ltd., \$54,151.49; Lawson Machine Works, \$22,062.86; Leach Textiles Ltd., \$17,721.05; Lealand Co. Ltd., \$21,076.93; Lear Avis Inc., \$10,720.43; Leavens Bros. Air Services Ltd., \$32,318.17; Leavens Bros. Training Ltd., \$636,458.28; Leblanc Shipbuilding Co., \$320,416.91; John Leckie Ltd., \$342,358.01; J. A. A. Leclair Dupuis Ltée, \$15,435.46; Leeders Limited, \$71,635.59; O. Lefebvre, \$23,900; Lemelin & Walters, \$52,803.10; Lemon, Gonnason Co., \$31,743.50; Lennox Construction Co. Ltd., \$14,997.29; Leonard Bros. Ltd., \$19,077.60; F. L. Leonard, \$12,168.27; E. Leonard & Sons Ltd., \$77,308.95; Lescanots Cadorette, \$19,649.70; Les Huiles Penco Ltd., \$19,657.38; A. C. Leslie Co. Ltd., \$26,657.22; City of Lethbridge, \$57,253.03; Lethbridge Flying Training School, \$31,602.96; Lever Bros. Ltd., \$13,028.15; Lewis Bros. Ltd., \$11,278.74; G. A. L'Hoir, \$90,476.33; Libby, McNeill & Libby of Canada Ltd., \$92,078.90; S. Lightfoot & Son, \$13,757.60; Joseph A. Likely Ltd., \$19,519.61; Lincoln Electric Co. of Canada Ltd., \$34,542.85; Linde-Canadian Refrigeration Co., \$44,430.04; Lindsay Creamery Ltd., \$54,295.50; Link Mfg. Co. Ltd., \$1,757,816.22; A. Linton Co. Ltd., \$20,140.41; Edward Lipsett Ltd., \$20,260.78; F. G. Lister Co. Ltd., \$67,298.66; Loblaw Groceries Co., \$31,204.84; Local Construction Co. Ltd., \$169,181.90; Lockerbie & Hole, \$234,501.59; C. Lockhart, \$13,292.32; Lockhart Woodworkers Ltd., \$20,678.13; Lockheed Aircraft Corporation, \$85,387.23; City of London, \$39,169.90; London Elementary Flying Training School Ltd., \$362,140.51; London Coat & Apron Supply, \$54,515.53; London Concrete Machinery Co. Ltd., \$40,822.07; London Roofings Ltd., \$15,807.22; Long Lac Construction Co. Ltd., \$128,665.31; J. E. Lortie, \$49,072.40; C. T. Lount, \$13,344.60; Lovell & Christmas (Canada) Ltd., \$23,436.75; Lubrication Equipment Co., \$16,270.90; E. Ludlow, \$31,377.01; Lufkin Rule Co. of Canada Ltd., \$30,468.24; James Lumbers Co. Ltd., \$14,740.97; Lundy Fence Ltd., \$20,995.97; Lunenburg Foundry & Garage Co., \$80,982; Luney Bros. Ltd., \$36,748.40; Luxura Tea Company, \$190,268.86; W. T. Lynch & Sons, \$22,504.16; Lynn, McLeod Engineering Supplies Ltd., \$31,011.16; S. E. Lyons Ltd., \$18,082.36.

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M. & C. Aviation Co. Ltd., \$388,328.33; Kenneth MacAlpine & Son, \$22,195.04; Macaw & MacDonald, \$140,542.70; MacCraft Corporation Ltd., \$177,493.58; MacDonald Bros., \$10,851.57; MacDonald Bros. Aircraft Ltd., \$4,179,485.08; MacDonald Bros. Sheet Metal & Roofing Co. Ltd., \$12,689.58; H. G. MacDonald Co., \$198,702.84; MacDonald & MacDonald, \$22,953.68; MacDonald's Consolidated Ltd., \$571,670.31; MacFarlane-LeFaivre Ltd., \$460,192.05; Machinery Depot Ltd., \$37,346.10; MacIntosh Plumbing & Heating Co., \$14,714.09; Mack Manufacturing Corporation, \$16,410.24; MacKay Morton Ltd., \$15,585.50; E. J. MacKenzie, \$16,250; MacKenzie, Thayer Ltd., \$24,162.16; MacLachlan Lumber & Woodworking Co., \$11,175.34; J. V. MacPherson, \$74,562.60; Madden & Son Ltd., \$14,041.41; Magloire, Cauchon Ltée, \$134,263.10; Magnet Electric Co., \$10,680; John Maguire Contracting Co., \$218,396.05; Mahaffey Iron Works Ltd., \$12,560.50; Majeau & Frère, \$11,730.20; W. H. Malkin Co. Ltd., \$109,174.98; Mallinckrodt Chemical Works Ltd., \$26,428.04; Malton Flying Training School Ltd., \$365,215.30; Mammy's Bakery, \$25,146.30; Manitoba Bridge & Iron Works, \$28,055.66; Manitoba Co-operative Dairies, \$59,301.08; Manitoba Engineering Co. Ltd., \$239,693.43; Manitoba Pant Mfg. Co. Co., \$24,633.53; Manitoba Power Commission, \$406,918.10; Manitoba Provincial Government, \$93,012.87; Manitoba Saskatchewan Coal Co. Ltd., \$81,973.24; Manitoba Sugar Co. Ltd., \$12,233.12; Manitoba Telephone System, \$138,633.56; University of Manitoba, \$44,705.81; C. A. Mann Co., \$36,664.06; Manning, Eggleston Lumber Co., \$36,936.63; Manning Equipment Ltd., \$21,114.47; F. C. Manning, \$45,079.70; Fred Mannix, \$41,829.95; Manton Bros. Ltd., \$22,650.44; Maple Leaf Dairy Ltd., \$31,356.24; Maple Leaf Milling Co. Ltd., \$26,825.68; Marchand Electric Co., \$22,361; J. E. Margetts, \$23,000; Marien-Wilson Ltd., \$33,364.52; Marine Equipment Co. Ltd., \$11,561.29; Marine Industries Ltd., \$4,929,523.78; Maritime Accessories Ltd., \$49,619.85; Maritime Co-operative Egg & Poultry Exchange, \$27,897.27; Maritime Electric Co., \$35,181.39; Maritime National Fish Ltd., \$54,600.06; Maritime Pant Mfg. Co. Ltd., \$1,041,612.85; Maritime Preserving Co., \$12,569.68; Maritime Steel & Foundries Ltd., \$53,602.02; Maritime Telegraph & Telephone Co. Ltd., \$166,400.52; Maritime Towing & Salvage Ltd., \$69,750.07; A. E. Marois Ltd., \$70,925.14; Marshall Ventilated Mattress Co., \$24,185.81; Marshall-Wells Co. Ltd., \$228,398.53; Marshalls Co. Ltd., \$305,744.24; L. E. Martel Ltd., \$18,775.58; Martin Paper Products Ltd., \$19,319.58; Martin-Senour Co. Ltd., \$28,450.28; Marvel Products Ltd., \$16,202.95; Marwell Construction Co. Ltd., \$1,920,247.57; Masco Co. Ltd., \$36,292.55; S. G. Mason, \$36,355.70; Massey-Harris Co. Ltd., \$1,326,967.78; E. Massicote & Fils, \$17,995.94; Master Bakers Association, \$20,399.61; Matheson & Phillips, \$23,826.98; J. Matlin Ltd., \$23,685.90; Matson Navigation Co., \$23,178.75; T. Matte Regd., \$14,148.52; Matthews-Wells Co. Ltd., \$36,621.24; E. J. Maxwell Ltd., \$15,306.68; Maxwells Ltd., \$83,784.26; May & Baker (Canada) Ltd., \$12,685.20; T. McAvity & Sons Ltd., \$24,451.92; L. McBrine Co. Ltd., \$41,533.45; McCall Co., \$11,590; M. H. McCavour, \$12,060.42; McClearn Co. Ltd., \$20,262.31; McColl Frontenac Oil Co. Ltd., \$3,233,015.50; P. McCuaig Ltd., \$13,446.02; McDonald Hardware Co., \$17,269.72; McDonald Shoe Co. Ltd., \$45,144.68; McEachern & Strachan Ltd., \$16,930.77; T. R. McElroy, \$13,382.72; McFarland Construction Co., \$171,472.67; McGarvin Bakeries Ltd., \$53,313.32; McGavin Ltd., \$30,867.92; McGill University, \$25,074; McGinnis & O'Connor, \$60,666.29; McGregor Tel Co. Ltd., \$16,757.34; McGuigan's Orchards, \$13,127.40; McIntosh Granite Co. Ltd., \$16,172.73; Geo. McKean Co., \$13,415.58; A. E. McKenzie Co., \$61,153.77; J. D. McKenzie, \$12,292.90; A. McKim Ltd., \$60,874.62; H. L. McKinnon Co. Ltd., \$18,899.39; McKinnon Columbus Chain Ltd., \$77,707.49; McLaughlin Brothers, \$146,610.67; G. McLean Co. Ltd., \$30,042.79; McLean Kennedy (Maritime) Ltd., \$238,032.75; McLennan, McFeely & Prior Ltd., \$122,892.50; A. B. McLeod, \$17,019; R. B. McLeod & Co., \$54,479.55; M. H. McManus Ltd., \$188,790.81; McManus Petroleum Ltd., \$66,333.69; McMaster University, \$17,974.28; McNamara Construction Co. Ltd., \$3,192,141.10; McQuay-Norris Mfg. Co., \$65,470.45; McQuires Bakery, \$16,509.08; McTavish, McKay & Co., \$19,440; Meakins Sons Ltd., \$73,960.32; John Mears Coal Co., \$18,171.01; City of Medicine Hat, \$46,072.09; Medicine Hat Potteries, \$28,834.64; Meed & Son, \$14,194.45; Menasco Mfg. Co., \$452,501.85; W. R. Menzies & Co., \$63,069.03; Merchants Coal Co. Ltd., \$17,797.42; Merchants Hardware, \$279,150.04; Merck & Co., \$22,475.54; Mercury Mills Ltd., \$549,468.30; Metal Craft Co. Ltd., \$157,334.21; Metal Fabricators Ltd., \$19,833.38; Metal Industries Ltd., \$31,857.43; Metal Stampings Ltd., \$309,243.24; Metallic Roofing Co. of Canada, \$987,544.99; Metals Ltd., \$61,803.24; Meteghan Shipbuilding Co. Ltd., \$21,987.83; Michael Mfg. Co. Ltd., \$17,616.72; Midland Boat Works Ltd., \$203,629.86; Midland Shipyards Ltd., \$1,112,053.49; Midland Woollen Mills Ltd., \$170,264.32; Midwest Aircraft Ltd., \$68,816.45; Mile End Fruit Exchange Inc., \$15,910.54; Mill-Tex Tailors Ltd.,

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\$18,538.10; Millen & Frère Ltd., \$11,338.63; John Millen Ltd., \$41,943.62; F. S. Milligan Co., \$27,183.34; Millstream Creamery, \$15,575.97; Milne Neckwear Ltd., \$29,427.50; Milnes Coal Co. Ltd., \$31,681.67; Milton, Francis Lumber Co. Ltd., \$11,715.87; Milton, Heeney Co. Ltd., \$16,468.03; Mine Safety Appliances Co., \$32,082.86; Miner Rubber Co. Ltd., \$978,121.67; C. M. Miners Construction Co., \$32,760.96; Minett-Shields Ltd., \$358,426.17; Minneapolis-Honeywell Regulator Co., \$13,288.77; Miramichi Flying Training School Ltd., \$273,571.13; Mis-Canada Mfg. Co. Ltd., \$42,207.23; Mitchell & Anderson Lumber Co. Ltd., \$11,752.58; J. S. Mitchell & Co. Ltd., \$10,870.88; Parker D. Mitchell Ltd., \$13,814.33; Robert Mitchell Co. Ltd., \$295,186.77; Mitchell & Wilson Ltd., \$39,708.11; Modern Moulding Metal Craft Co., \$34,186.50; Modern Packers Ltd., \$22,595.65; Moffats Ltd., \$26,568.19; W. A. Moir Ltd., \$18,793.46; Moirs Ltd., \$141,219.96; Monarch Knitting Co. Ltd., \$110,613.59; Monarch Lumber Co., \$30,895.94; Monarch Overall Mfg. Co. Ltd., \$246,149.21; C. O. Monat & Co. Ltd., \$71,036.58; Moncton Electricity & Gas Co. Ltd., \$52,730.79; Moncton Lumber Co., \$101,392.97; Moncton Plumbing & Supply Co. Ltd., \$59,391.55; Mongeau & Robert Cie Ltée, \$78,229.23; Monogram Specialties, \$20,810.89; Monroe Export Co. Ltd., \$11,594.84; Monsanto (Canada) Ltd., \$10,123.67; Montmagny Waterworks Corporation, \$15,000; City of Montreal, \$37,463.90; Montreal Construction Supply & Equipment Ltd., \$165,242.86; Montreal Cottons Ltd., \$505,714.89; Montreal Cotton & Wool Waste Co., \$15,649.20; Montreal Dry Docks Ltd., \$37,006.43; Montreal Light, Heat & Power Consolidated, \$65,687.93; Montreal Locomotive Works, \$1,127,748.28; Montreal Shipping Co. Ltd., \$246,638.36; Montreal Suspenders & Umbrellas Ltd., \$887,337.34; J. R. Moodie Co. Ltd., \$11,440; Moore Bros. Machinery Co., \$26,405.76; C. C. Moore Co., \$20,172.21; Robert J. Moore, \$14,459.71; Moore-Whittington Lumber Co. Ltd., \$42,938.64; Moose Jaw Flying Club, \$40,087.60; Morantz Beef Co., \$24,442.58; W. B. Moriarty, \$12,250; H. Mornard, \$14,357.46; Herbert Morris Crane & Hoist Co., \$75,235.90; James Morrison Brass Mfg. Co., \$13,956.27; James Morrow, \$10,082.62; Morrow Screw & Nut Co. Ltd., \$64,478.57; J. E. Morse & Co., \$50,756.13; J. L. Morton & Co. Ltd., \$458,535.03; Morton Engineering & Dry Dock Co. Ltd., \$1,460,620.29; Moss Electric Co., \$10,537.94; Mount Allison University, \$16,336.63; Mount McKay Feed Co., \$15,172.60; Mount Royal Metal Co. Ltd., \$12,466.43; Mountain Road Builders Ltd., \$10,368; Robert Mulhall, \$152,875.13; Mumford, Medland Ltd., \$37,105.90; John C. Mundell & Co. Ltd., \$18,258.09; Municipal Spraying & Contracting Co., \$651,059.55; John Murdock & Cie, \$10,459.13; J. M. Murphy Ltd., \$11,093.69; A. B. Murray Co. Inc., \$13,083.34; Alexander Murray & Co. Ltd., \$55,942.41; Murray & Gregory Ltd., \$44,481.70; Murray and Tregurtha Inc., \$14,652; Mussels Ltd., \$69,217.76; Fred C. Myers Ltd., \$47,345.87; Fred L. Myers, \$24,314.62.

City of Nanaimo, \$12,512.50; Nanaimo Duncan Utilities, \$36,265.12; Narrow Fabric Weaving & Dyeing Ltd., \$11,869.03; National-Canadian Drugs Ltd., \$14,384.07; National Cash Register Co., \$88,980.12; National Contracting & Supply Co. Ltd., \$102,446.56; National Drug & Chemical Co., \$23,578.94; National Fibre Co. of Canada Ltd., \$10,696.58; National Foam System, \$26,388.87; National Founders Ltd., \$34,190.50; National Fruit Co., \$25,771.49; National Grain Co. Ltd., \$15,934.31; National Grocers Co., \$517,587.79; National Hat Mfg. Co., \$328,775.02; National Iron Corp. Ltd., \$237,921.49; National Lace & Embroidery Works, \$110,675.64; National Light & Power Co., \$115,337.45; National Malleable Steel Castings, \$12,348.18; National Motor Co. Ltd., \$11,498.84; National Packing Co. Ltd., \$10,811.77; National Petroleum Ltd., \$13,080.88; National Photo Identity, \$22,272.68; National Sewer Pipe Co., \$14,514.74; National Steel Car Corporation, \$4,938,664.60; National Table Co., \$36,010.94; National Testing Laboratories Ltd., \$17,809.71; National Textiles Co., \$131,357.79; Natural Sodium Products Ltd., \$14,547.15; Navy League of Canada, \$167,254.68; Needlecraft Mills Ltd., \$32,982.20; Nelson River, \$33,201; Nelson River Construction Ltd., \$417,408.77; Nestles Milk Products (Canada) Ltd., \$46,082.48; New Brunswick Contractors Ltd., \$517,566.56; Department of Public Works, New Brunswick, \$42,065.42; New Brunswick Electric Power Commission, \$123,835.87; New Brunswick Telephone Co. Ltd., \$64,210.61; University of New Brunswick, \$41,523.20; New Brunswick Wire Fence Co. Ltd., \$15,219.96; Newfoundland Butter Co. Ltd., \$19,529.52; Newfoundland Furniture & Moulding Co., \$13,961.47; Newfoundland Dockyards, \$45,066.85; Newfoundland Hotel, \$13,663.99; Newfoundland Railway, \$160,892.34; Newfoundland Canada Steamships Ltd., \$79,742.32; Department Posts & Telegraphs, Newfoundland, \$14,401.70; New Idea Furnaces, \$25,359.82; S. H. Newman Co., \$30,297.66; New Method Laundry Co., \$56,477.39; New System Laundry & Cleaners Ltd., \$32,152.70; Newton Construction Co., \$773,026.44; New York Central Railway, \$28,788.68; New Zealand Shipping Co. Ltd., \$19,971.70; A. S.

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Nicholson & Son Ltd., \$47,607.53; Nicholson File Co., \$37,949.37; W. H. Nicholson Co., \$10,818.50; Nickerson & Crease Ltd., \$28,204.27; Charles Niedner Sons, \$27,487.88; L. O. Noel Inc., \$21,529.02; Noorduyn Aviation Ltd., \$8,295,725.52; W. H. Norman Coal Co., \$66,246.43; Norse Boat & Ski Co., \$16,641.06; North American Telegraph Co., \$10,942.21; North American Aviation Co. Ltd., \$4,568,007.45; North American Bent Chair Co., \$44,002.99; North American Lumber Supply Co. Ltd., \$60,650.31; City of North Battleford, \$33,340.55; North Bay Co-operative Creamery, \$13,386.50; North Star Oil Co., \$22,690.28; North Vancouver Ship Repairs Ltd., \$1,353,573.81; North West Gravel & Coal Co. Ltd., \$14,354.04; Northern Alberta Dairy Pool Ltd., \$32,006.75; Northern Alberta Railway Co., \$34,339.47; Northern Boat Building Co. Ltd., \$72,877.54; Northern British Columbia Power Co. Ltd., \$68,030.77; Northern Construction Co. & J. W. Stewart, \$1,111,446.74; Northern Electric Co., \$3,290,560.60; Northern Engineering & Supply Co. Ltd., \$71,834.40; Northern Machine Works, \$14,116.96; Northern Saskatchewan Flying Training School, \$358,535.44; Northern Shirt Co., \$323,671.44; Northern Tool & Gauge Ltd., \$78,150.29; Northern Wood Preservers Ltd., \$21,564.29; Northern Woollen Mills Ltd., \$41,964.96; Northumberland Air Observer School, \$415,491.52; Northumberland Ferries Ltd., \$196,377.55; Northwest Telephone Co., \$13,169.47; Northwestern Creamery Ltd., \$19,693.62; Northwestern Iron Works, \$70,857.91; Northwestern Utilities Ltd., \$24,159.81; Nova Scotia Apple Marketing Board, \$27,256.85; Nova Scotia Engineers Inc., \$527,839.47; Department Highways & Public Works, Nova Scotia, \$31,111.77; Nova Scotia Light & Power Co., \$743,199.38; Nova Scotia Liquor Commission, \$36,297.38.

O'Brien Lighting, \$22,638.22; O-Cedar of Canada Ltd., \$12,672.32; Thomas O'Connell Ltd., \$144,755.60; O'Connor's Fish Co. Ltd., \$17,163.64; R. O'Connor Registered, \$24,557.60; Office Specialty Mfg. Co., \$134,579.58; Ogilvie Flour Mills Co., \$20,450.10; L. G. Ogilvie & Co. Ltd., \$963,029.92; Ohio Chemical Mfg. Co., \$44,737.08; Okanagan Valley Co-operative Creamery, \$13,780.10; Old City Mfg. Co., \$23,719.72; Old Sydney Collieries Ltd., \$26,597.69; A. T. O'Leary & Co., \$207,995.78; Olive & Dorion Ltd., \$70,739.02; O'Malley's Ltd., \$59,157.57; Ontario Construction Co., \$995,165.51; Ontario County Flying Training School Ltd., \$580,668.73; Ontario Gasoline & Oil Ltd., \$10,918.81; Ontario Honey Producers' Co-operative Ltd., \$27,403.70; Ontario Hughes-Owens Co., \$5,461,961.99; Ontario Laundry Ltd., \$47,690.30; Province of Ontario, \$79,087.79; Ontario Silknet Ltd., \$10,788.83; Ontario Steel Products Ltd., \$16,753.43; Opsal Steel Co. Ltd., \$16,890.50; Oshawa Wood Products Co. Ltd., \$15,445.07; Otis Fensom Elevator Co. Ltd., \$11,525.29; Ottawa Car & Aircraft Ltd., \$2,148,627.07; City of Ottawa, \$60,111.12; Ottawa Drug Co., \$24,006.86; Ottawa Hydro-Electric, \$14,950.24; Ottawa Light, Heat & Power Co. Ltd., \$55,269.88; Ottawa Sanitary Laundry Co., \$22,503.73; Ottawa Typewriter Co., \$223,825.70; Ottawa Valley Lumber Co. Ltd., \$10,953.77; Outboard, Marine & Mfg. Co. of Canada Ltd., \$246,987.28; Oxford Woollen Mills Ltd., \$60,319.66; Oxo Ltd., \$13,610.65.

Pacific Dairies Ltd., \$10,931.72; Pacific Equipment Co., \$15,075.84; Pacific Meat Co. Ltd., \$250,342.29; Pacific Salvage Co., \$49,528.63; Pacific Sheet Metal Works Ltd., \$22,836.15; Pacific Veneer Co., Ltd., \$55,143.99; Packard Motor Car Co., \$1,175,358.09; Page Equipment & Construction Co. Ltd., \$125,135.13; Page Hersey Tubes Ltd., \$45,684.81; Pal Blade Corporation Ltd., \$27,357.49; Palm Dairies Ltd., \$168,978.15; John Palmer Co. Ltd., \$71,980.48; Palmer, McLellan Shoe-pack Co. Ltd., \$100,173.82; Palmer, Williams Co., \$45,701.53; Paper Products Ltd., \$11,615.40; Paquette Fils Ltd., \$14,290.73; Pariseau Frères Ltée, \$10,041.18; Park Manor Ltd., \$18,700; Parke, Davis Company, \$39,805.90; Parker Appliance Co., \$10,080.28; Parker Fountain Pen Co. Ltd., \$25,918.78; J. S. Parker, \$13,519.54; Parkhill Bedding Co. Ltd., \$359,643.20; Parmenter & Bulloch Co. Ltd., \$37,166.37; Parnell Dean Steam Baking Co. Ltd., \$12,229.75; Parnell Bread Ltd., \$10,984.51; Ralph Parsons, \$157,517.18; Ralph & Arthur Parsons, \$137,217.61; Partridge Halliday Limited, \$378,628.14; J. Pascal Hardware Co. Ltd., \$52,143.39; Paton Mfg. Co. Ltd., \$435,163.36; Patterson & Hanes, \$24,627.71; Patterson Hill Aircraft, \$44,700.54; George Pattinson Co. Ltd., \$186,958.96; H. Paulin Co. Ltd., \$38,707.83; Payette Co. Ltd., \$60,321.48; Payzant & King Ltd., \$16,169.18; Peacock Bros Ltd., \$283,748.87; Pearsons Antiseptic Co., \$11,120.52; Pedlar People Ltd., \$114,750.95; Peerless Laundry, \$17,163.82; Peerless Machine Tool Co. Ltd., \$15,410.10; Pembroke Laundry Cleaning & Dyeing Co., \$43,416.86; Chas. A. Pender Ltd., \$90,933.06; Penmans Limited, \$297,169.56; Penny Leybourne & Carson, \$30,878.75; People's Gas Supply Co. Ltd., \$28,928.40; Perfection Dairy Ltd., \$14,027.70; Perth Dye Works Ltd., \$19,037.70; Pesner Bros. Ltd., \$14,026.79; C. H. Petch.

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\$39,800.61; Peterborough Canoe Co. Ltd., \$56,624.95; Peterborough Fuel & Transfer Co., \$11,165.60; Peterborough Lock Mfg. Co., \$24,563.84; Peterborough Lumber Co. Ltd., \$18,596.25; Peters Shoe Mfg. Co. Ltd., \$96,031.88; Philpott, Evitt & Co. Ltd., \$28,748.04; Phoenix Assurance Co. Ltd., \$15,333.65; Photographic Stores Ltd., \$19,970.30; Photostat Corporation, \$16,340.59; A. Pickard Co., \$10,493.51; Picker X-Ray of Canada Ltd., \$58,064.34; Pickford & Black Ltd., \$275,164.35; Picton Creamery, \$21,701.06; Pictou Foundry & Machine Co. Ltd., \$508,158.97; Piercey Supply Ltd., \$262,259.05; Pigott Construction Co. Ltd., \$1,715,688.06; Pilkington Bros. Ltd., \$34,395.27; Walter Pinaud, \$35,544; Pine Hill Divinity Hall, \$14,889; Pioneer Canadian Laundries, \$11,640.22; Pioneer Fruit Wholesale, \$43,153.25; Pioneer Sash & Door Co. Ltd., \$20,469.42; Hiram L. Piper Co. Ltd., \$70,654.72; John Plaxton Company Limited, \$79,731.22; Pleasant View Dairy, \$20,327.54; Plessisville Foundry, \$28,779.81; Plunkett & Savage, \$28,637.30; Thomas Pocklington Co., \$29,598.97; Pollack & Dorfman, \$388,740.69; L. M. Poole Co., \$15,037.30; Poole Construction Co. Ltd., \$1,277,492.86; Porritts & Spencer Canada Ltd., \$174,361.78; Portage Air Observer School Ltd., \$617,227.96; Rural Municipality of Portage La Prairie, \$19,618.50; Port Arthur Shipbuilding Co., \$5,180,646.26; Porter & Black, \$18,813; J. P. Porter Sons Ltd., \$494,341.55; Porters Ltd., \$31,201.75; Geo. W. Potter Construction Co. Ltd., \$145,875.27; Powell Anchor & Chain Co., \$80,988.42; Powell Equipment Co. Ltd., \$11,555.31; Powell River Co., \$16,302; Power Bros Ltd., \$102,683.62; B. W. Powers & Son, \$32,575.87; John Powis Co. Ltd., \$15,545; Prairie Airways Ltd., \$232,631.61; Prairie Flying School Ltd., \$552,972.45; D. S. Pratt, \$16,934.25; Precision Machine Foundry Ltd., \$40,379.30; Precision Tool Works Ltd., \$11,901.56; Premier Vacuum Cleaner Co. Ltd., \$14,937.19; Prencro Progress Engineering Corporation, \$61,747.97; Pressure Castings of Canada Ltd., \$56,298.47; Pressure Pipe Co. of Canada Ltd., \$14,538.56; Preston Furniture Co. Ltd., \$11,982.55; Preston-Noelting Limited, \$14,111.73; Preston-Phipps Inc., \$12,978.59; Preston Woodworking Machinery Co. Ltd., \$22,788.69; Prince Albert Air Observer School Ltd., \$636,831.70; Prince Albert Plumbing & Heating Co., \$21,078.39; Principal Hat, Cap & Suspender Mfg. Co., \$69,982.24; Progress Engineering Corporation, \$17,659.92; Andre Proulx Ltd., \$10,799.24; Provincial Marketing Board, \$10,622.02; Provincial Oils Ltd., \$85,396.41; Geo. R. Prowse Range Co. Ltd., \$142,617.38; Pryal & Nye, \$15,253.58; Puddy's Dressed Meats Limited, \$163,558.25; Pump Engineering Service Corporation, \$20,613.30; Pumps & Power Ltd., \$18,988.69; Pumps & Softeners Ltd., \$14,868.67; Purdy Bros. Ltd., \$10,738.32; Purity Bread Ltd., \$18,011.67; Purity Dairy Products Ltd., \$13,765; Putherbough Construction Co., \$13,890.30; Jas. W. Pyke Co. Ltd., \$115,600.63; Pyrene Mfg. Co. of Canada Ltd., \$232,217.40.

Quaker Oats Company, \$60,411.17; Quality Fuels Limited, \$35,262.30; Quebec Airways Training Ltd., \$831,066.17; City of Quebec, \$72,048; Quebec Elementary Flying Training School Ltd., \$195,798.59; Quebec Gardeners Co-operative, \$16,548.98; Quebec Packers Ltd., \$51,671.30; Quebec Power Co., \$109,797.64; Province of Quebec, \$15,238.71; Quebec Stitch-down Shoe Co., \$226,846.55; Queen's Jubilee Laundry, \$10,115.97; Queen's University, \$14,838.12.

R. & M. Bearings Canada Ltd., \$28,092.39; Radio Laboratories, \$11,916.96; Railway & Power Engineering Corp. Ltd., \$216,984.27; Rainbow Laundry Dry Cleaners, \$12,184.02; Ralph & Son, \$15,768.42; Beattie W. Ramsay, \$25,057.04; W. A. Rankin Ltd., \$17,256.67; P. Leo Ratte, \$31,532.51; Rawlinson Ltd., \$19,495.81; Rayman Cap Co., \$122,841.47; Raymond, McDonell & Co. Ltd., \$80,678.85; Rayner Construction Ltd., \$908,406.98; Reardon Glass & Paint Co., \$11,694.25; City of Red Deer, \$21,586.41; Redfern Construction Co. Ltd., \$64,761.32; George W. Reed Co., \$286,633.18; W. H. Reed, \$15,853.95; Regal Bakery, \$24,859.70; Regent Knitting Mills Ltd., \$293,026.92; City of Regina, \$48,223.06; Regina City Dairy Ltd., \$19,761.97; Regina Elementary Flying School Ltd., \$352,886.53; Regina Plumbing & Heating Co., \$64,670.54; Regina Sash & Door Co., \$51,088.76; Regina Steam Laundry Ltd., \$41,261.56; Regina Supply Co. Ltd., \$27,485.75; Regina Typewriter & Stationery Co., \$27,019.90; Reid Bros., \$12,171.79; Reid & Co. Lumber Ltd., \$29,411.20; Reid Lumber Ltd., \$35,664.59; H. H. Reid Ltd., \$40,475.68; Reid Cambridge Ltd., \$182,407.38; Relf Plumbing & Heating, \$36,942.53; Reliance Aircraft & Tool Co. Ltd., \$56,913.81; Reliance Grain Co. Ltd., \$54,456.14; Reliance Ink Co. Ltd., \$36,073.56; Reliance Lumber Co. Ltd., \$46,378.45; Reliance Motor Machine Works Ltd., \$42,688.33; Reliance Service Garage, \$27,090; Reliance Shoe Co. Ltd., \$27,118.80; Remarks Orchards, \$36,454.30; Remington Arms Co. Inc., \$311,287.25; Remington Rand Ltd., \$40,781.65; Renaud Cie Ltée, \$27,176.10; J. B. Renaud Co. Inc., \$18,900.29; Rendell Tractor & Equipment Co., \$27,162.58; Renfrew

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Electric Refrigeration Co. Ltd., \$714,334.87; Renfrew Motors Ltd., \$28,076.10; Renfrew Textiles Ltd., \$130,118.78; Renfrew Woollen Mills, \$86,723.40; Rennie Industries Ltd., \$24,939.23; Wm. Rennie Seeds Ltd., \$42,218.45; Renown Plumbing & Supplies Ltd., \$30,430.19; Rentals Building Corporation, \$27,916.44; Research Enterprise Ltd., \$565,710.59; Restigouche Co. Ltd., U.S.A., \$28,250; Restmore Mfg. Co., \$43,865.31; Retail Credit Co. Inc., \$14,343.89; Revelstoke Sawmills Ltd., \$85,476.34; Revelstoke Transfer, \$36,161.09; Rex Fruit Wholesale, \$31,505.59; Norman C. Reynolds, \$10,386.40; W. B. Reynolds Coal Co., \$19,936.05; S. Rice Dairy Ltd., \$25,657.67; Rice Lake Boats, \$33,056.23; Rice & Tomlinson, \$64,425.42; Richards-Wilcox Canadian Co. Ltd., \$28,242.64; S. Richardson Bakery, \$30,741.34; Richardson Road Machinery Co. Ltd., \$97,418.54; Albert Richardson, \$18,445; G. Richardson Co. Ltd., \$21,796.30; Richardson Cliff Boat Works, \$11,616.26; Jas. Richardson & Son, Ltd., \$93,891.64; Richardson Bishop Ltd., \$18,004.50; Richardson Bureau Ltd., \$39,397.64; Richmond Hosiery Ltd., \$41,195.60; Richmond Industrial Equipment Ltd., \$27,191.15; Richmond Milk Products, \$19,931.09; Richmond Woollen Mills, \$29,699.15; Rickert Dairy, \$27,698.98; Riggs Motor Sales, \$27,662.86; Riley McCormick Ltd., \$52,792.35; Rioux, Pettigrew Ltd., \$61,542.08; J. C. Risteen Company Ltd., \$34,173.09; S. Ritcey Wholesale Ltd., \$18,053.50; P. R. Ritcey Co. Ltd., \$16,244.65; John Ritchie Co. Ltd., \$507,658.60; Purves E. Ritchie & Son, Ltd., \$11,273.51; Ritchie, Farber & Co. Ltd., \$575,070.20; Riverdale Garage Ltd., \$36,366.28; Riverdale Lumber Co. Ltd., \$114,490.33; Rivermead Dairy, \$28,050.07; S. River Meat Market, \$27,923.90; Riverside Iron Works Ltd., \$40,983.23; Riverside Smelting & Refining Works Ltd., \$27,944.87; Road Material Ltd., \$27,034; H. B. Roantree Co. Ltd., \$41,238.90; Robb Engine Works Ltd., \$62,962.56; Robbins & Myers Co. of Canada Ltd., \$52,041.15; Roberts Biological Laboratory, \$19,932.99; Roberts Tube Works, \$50,585.06; Wm. Roberts Sons, \$18,083.03; Robertson Bros., \$12,044.35; Robertson Co. Ltd., \$27,714.53; Robertson Fisheries Ltd., \$84,038.61; S. Robertson Variety Store, \$18,555.05; Angus Robertson Ltd., \$2,744,932.26; A. W. Robertson Ltd., \$41,648.99; Geo. Robertson Son Ltd., \$27,842.39; James Robertson Co. Ltd., \$1,093,268.88; John Robertson, U.S.A., \$11,742.81; P. L. Robertson Mfg. Co., \$50,028.72; Thos. Robertson Co. Ltd., \$85,353.73; Wm. Robertson Son Ltd., \$74,775.79; Robertson Hackett Saw Mill Co. Ltd., \$21,992.02; Robertson Stark Holland Ltd., \$47,044.01; Robin Hood Flour Mills Ltd., \$52,262.83; S. Robinson Mill Bakery Ltd., \$43,846.52; Bruce Robinson Electric Ltd., \$40,773.30; Robinson Fuel Co., \$18,066.25; F. A. Robinson, \$20,819.42; F. W. Robinson, \$18,887.91; Robinson Hardware, \$10,676.14; I. F. Robinson, \$10,390; W. Robinson Son Converters, \$29,313.77; Robinson, Webber Ltd., \$40,734.66; Emile Robitaille Engr., \$18,354.19; Rochester Pittsburg Coal Co., \$526,975.08; Marcel Rochette Ltée, \$27,120.41; Rock City Tobacco Co., \$38,080.28; Rockwell Ltd., \$44,871.50; W. G. Rockwell, \$56,794.89; Roden Bros., \$33,475.45; J. B. Roebuck, \$33,325.99; Roelofson Elevator Co., \$23,404.90; Rogers Fruit Co., \$32,221.98; Rogers Hardware Co. Ltd., \$36,492.91; Rogers Lumber Supply Co., \$40,560.64; Rogers Majestic Corporation Ltd., \$65,739.96; Rogers Montreal Ltd., \$119,034.89; Rogers Radio Tubes, \$27,427.50; Alfred Rogers Ltd., \$30,506.15; Elias Rogers Co., \$33,427.03; H. G. Rogers Ltd., \$18,139.10; J. B. Rogers Co., \$13,326.36; Rogers, Arnett Ltd., \$36,345.26; Rollack Mamezasz, \$25,384; Rolls Darlington Ltd., \$18,023.03; Fred Romain, \$19,206.04; Romer Pump Co., \$14,616.41; Jos. Rondeau, \$19,285.55; Roneo Co. Canada Ltd., \$33,172.55; Roofers Supply Co., \$46,717.73; Roops Ltd., \$48,578.61; Rosamond Woollen Co., \$107,821.32; Arthur Rose Ltd., \$27,942.59; Rosebudd Flour Mills, \$18,509.78; Roselawn Farms Ltd., \$21,047.18; Rosemount Farm Dairy, \$18,438.03; Harry Rosen Coal Supply, \$23,526.31; Ross Auto Service, \$18,015; Ross Cycle & Sports, \$221,852.76; Fred Ross, \$19,937.50; Hales H. Ross, \$12,967.12; Ross & Howard Iron Works Co. Ltd., \$50,835.15; J. H. Ross Boat & Canoe Co., \$28,469.65; William Ross, \$20,074.74; Ross, MacDonald Inc., \$40,609.98; Ross, Meagher, \$22,550.60; Rotaprint Co. of Canada Ltd., \$39,843.15; Rotox Ltd., \$18,032.40; Rougier Freres Inc., \$32,670.30; Jos. Rousseau, \$19,344.82; A. C. Routier, \$18,007.50; Routledge Mfg. Co., U.S.A., \$49,861.58; Rowntree Co. Ltd., \$44,618.40; Roxton Mill & Chair Manufacturing Co. Ltd., \$27,563.70; Roy & Brassard, \$16,126.35; Roy Electric Co., \$18,900.25; Paul A. O. Roy, \$18,016.50; Royal Bakery, \$57,976.40; Royal Brand Clothing Co., \$28,347.35; Royal Dairy Ltd., \$32,983.06; Royal Fruit Co., \$43,918.13; Royal Garment Mfg. Co., \$84,788.77; Royal Knitting Co., \$77,331.22; Royal Stores Ltd., \$28,880.93; Royal Transportation Ltd., \$36,136.67; Royal Trust Co., \$15,358.85; Royal Typewriter Co., \$36,138.44; Royal City Sawmills Ltd., \$18,152.96; Royal Crown Soaps Ltd., \$61,028.35; Royal Dutch Air Lines, U.S.A., \$18,050.01; Royal George Bakery, \$18,041.25; Royal Mattress Co., \$18,094.25; Royal Metal Mfg. Co., \$18,034.30; Royal Venetian Blind Co.,

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\$27,338.50; Roydes Edwards Ltd., \$32,139.05; Rubberset Co., \$68,396.84; Rubenstein Bros., \$372,232.36; Rubin Bros. Ltd., \$146,238.04; S. Rubin, \$291,072.70; Rudel Machinery Co., \$138,844.84; George Rumble Co. Ltd., \$18,522.30; Rumford Laundry Ltd., \$25,353.82; Rumford Ltd., \$65,053.33; Rumpelt Felt Co., \$27,952.36; Rupert Bakery, \$49,209.69; Rusen Solomon Co., \$21,652.75; Russel Bros. Ltd., \$60,738.68; Russell Construction Co. Ltd., \$1,443,598.12; Russell Maple Products Co., \$27,217; H. B. Russell Co., \$12,002.63; Rutherford Co. Ltd., \$97,419.45; Ryan Bros. Ltd., \$39,751.85; Ryan Contracting Co., \$149,234.63; E. J. Ryan Construction Co. Ltd., \$652,444.27; Ryans Dry Cleaning Works Ltd., \$29,736.90; M. Ryan Sons, \$13,455.63; Ryan Wilson Co., \$38,050.19; T. E. Ryder Machinery Co., \$128,248.95; T. E. Ryerson Company, \$15,798.40.

S. & G. Clothing Co. Ltd., \$835,256.22; S. S. Aircraft Ltd., \$191,023.22; G. W. Sadler Co., Ltd., \$12,395.21; Safety Supply Co. Ltd., \$237,094.30; Saguenay Fish Trading Co., \$11,788.85; St. Catharines Flying Training School Ltd., \$396,023.32; Sainthill Levine Co. Ltd., \$255,937.36; St. John Dredging, Saint John, N.B., \$26,035.52; St. John Dry Dock Shipbuilding Co. Ltd., \$1,669,577.39; St. John Iron Works Ltd., \$222,519.55; St. John's Textile Mills Ltd., \$28,890.80; St. Lawrence Starch Co. Ltd., \$25,803.19; St. Lawrence Steel Wire Co., \$32,747.78; St. Lawrence Sugar Refineries Ltd., \$175,426.84; St. Louis Bedding Co. Ltd., \$156,345.81; St. Thomas Public Utilities, \$17,472.20; St. Tite Shoe Co. Ltd., \$90,208.20; St. Williams Preservers Ltd., \$43,986.62; Province of Saskatchewan, \$37,637.43; Sanders & Bell Ltd., \$66,097.44; Sangamo Co. Ltd., \$325,328.74; Sargeant Co. Ltd., \$10,196.80; Sarnia Bridge Co. Ltd., \$47,415.89; Saskatoon Collegiate School Board, \$25,079.32; Saskatchewan Co-operative Creamery Association, \$48,695.66; Saskatchewan Power Commission, \$325,247.12; University of Saskatchewan, \$56,008.35; City of Saskatoon, \$36,262.04; Saskatoon Contracting Co. Ltd., \$38,477.01; Saunders, Howell & Co. Ltd., \$28,889.46; Sawyer-Massey Ltd., \$69,428.30; Scarfe & Co. Ltd., \$37,691.97; Julius Schmid (Canada) Ltd., \$27,083.86; J. M. Schneider Ltd., \$44,586.62; Schofield Woollen Co. Ltd., \$41,290.14; Schultz Construction Ltd., \$107,397.86; Schumacher, Mackenzie Ltd., \$11,186.79; M. J. Schurman Co., \$719,114.02; Schuster Co. Ltd., \$152,683.95; W. H. Schwartz Sons Ltd., \$37,355.79; Scotia Wholesale Grocery, \$21,631.08; Scott Fruit Co., \$34,076.33; Scott, Jackson Construction Ltd., \$449,936.21; L. G. Scott, \$15,589.98; Scott, McHale Ltd., \$285,730.60; Scott National Fruit Co. Ltd., \$33,074.60; W. J. Scott, \$11,299.75; Walter E. Scott, \$29,660.27; Scottish Woollen Mills Ltd., \$25,852.71; Scullen Steel Co. Inc., \$51,060; Scully Safety Corporation, \$13,111.88; Wm. Scully Ltd., \$40,589.69; Scythes Co. Ltd., \$418,964.33; Seaman Cross Ltd., \$78,644.25; Seaport Crown Fish Co. Ltd., \$10,248.61; Sears-Roebuck Co., \$624,528.36; Seco Sales Service, \$18,611.02; Security Lumber Co. Ltd., \$16,940.81; Seeley System Corporation, \$18,620.20; R. B. Seeton & Co., \$45,611.53; Seiberling Rubber Co. of Canada Ltd., \$526,667.92; Isaac Selick Sons Ltd., \$13,016.01; Seminaire de Quebec, \$10,000; Serta of Toronto, \$15,065.20; Service Garment Co., \$71,133.35; Service Lamps Co. Ltd., \$30,957.69; Service Station Equipment Co. Ltd., \$529,960.38; Chas. J. Sharp & Son, \$10,246.21; The Sharples Corporation, \$17,106.33; Shawinigan Lumber Yards Ltd., \$19,962.54; Shawinigan Water Power Co., \$46,366.80; John J. Shea, \$22,303.99; George Sheard & Co. Ltd., \$43,538.35; Shell Oil Co. of Canada Ltd., \$2,011,995.21; A. Sheppard & Co., \$37,891.67; Municipal District of Sheppard, \$15,111.03; Sherbrooke Fruit Co., \$11,123.37; City of Sherbrooke, \$12,572.58; Sherbrooke Laundry & Dry Cleaning Ltd., \$10,569.26; Sherbrooke Pure Milk Co. Ltd., \$25,202.61; Andrew Sheret Ltd., \$38,762.78; Sheridan Equipment Co., \$198,435.58; Sherwin Williams Co. of Canada, \$195,316.05; Shiff & Co., \$145,016.72; Shipping Containers Ltd., \$20,042.47; Shipping Ltd., \$168,856.10; E. H. Shockley, \$150,738.75; Shoquist Construction Ltd., \$837,419.10; Shurly, Dietrich, Atkins Co. Ltd., \$16,809.70; E. H. Shuttleworth, \$57,241.14; A. Sicard Ltd., \$309,656.72; Armand Sicote (Special), \$18,516.40; Armand Sicotte Sons, \$11,864.96; Sidney Lumber Co., \$14,161.57; W. V. Siegner Lumber Co. Ltd., \$23,547.40; Signal Oil Co., \$19,013.72; Sigurdson Millwork Co. Ltd., \$14,468.13; Silver Agencies Ltd., \$49,302.30; Silverwood Dairies Ltd., \$50,313.34; Celesten Simard, \$152,065.82; Simard Frère Ltd., \$35,483.45; Simcoe Mitt & Glove Co. Ltd., \$26,406.71; Simmons Limited, \$485,482.57; Frank E. Simmons, \$39,678.40; Simmons & MacFarland, \$11,718.23; James Simmonds Ltd., \$15,475.51; T. S. Simms Co. Ltd., \$153,577.60; Simonds Canada Saw Co. Ltd., \$27,302.16; Robt. Simpson Co. Ltd., \$271,677.04; Joseph Simpson & Sons Ltd., \$176,852.46; Singer Mfg. Co., \$159,831.67; Singer Sewing Machine Co., \$59,005.38; Sisman Shoe Co. Ltd., \$174,332.88; J. Sklar Mfg. Co., \$35,116.51; A. P. Slade Co. Ltd., \$109,535.10; Slade Steward Ltd., \$53,478.78; Slaneys Shoe Repair, \$166,721.98; Slater Shoe Co. Ltd., \$214,392.06; Slingsby Mfg. Co. Ltd., \$409,916.11; Small Electric Motors

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Ltd., \$663,087; Smart Turner Machine Co. Ltd., \$15,933.05; Smith Brokerage Co. Ltd., \$28,017.64; Smith Bros. & Wilson Ltd., \$373,084.13; Smith Burners & Heaters Ltd., \$14,215; Day Smith Ltd., \$17,785.42; E. D. Smith Sons, \$24,789.36; J. Fyfe Smith Co. Ltd., \$11,955.75; John B. Smith Sons Ltd., \$64,507.60; Smith Nephew Ltd., \$36,371.66; R. Smith Co. Ltd., \$290,327.99; Smith Stone Ltd., \$55,427.26; Smith Wesson Firearms Co., \$781,225.86; Snap On Tools Corporation, \$62,023.11; W. I. Snook, \$26,082.83; Soeurs de la Charite, \$15,000; Soeurs Grises de la Croix, \$20,000; Solex Co. Ltd., \$43,364.82; Robert Soper Limited, \$57,047.35; Sorel Industries Ltd., \$236,262.01; Southern Airways Inc., \$48,404.19; Southern Ontario Telephone Co. Ltd., \$36,637.47; Sovereign Potters Ltd., \$147,449.39; Sowards Coal Co., \$40,671.60; Sparks Harrison Ltd., \$251,874.65; Sparks Withington Co., \$15,978.11; Robert Spellman, \$22,829.78; David Spencer Ltd., \$66,079.49; Spencer Bros. & Turner Ltd., \$27,520.24; Sperry Gyroscope Co. Inc., \$76,403.98; H. D. Spratting, \$48,633.04; C. H. Spriggs, \$45,958.33; Wm. Stairs Son & Morrow Ltd., \$156,181.22; Standard Aviation Works, \$10,800; Standard Brands Ltd., \$99,683.65; Standard Bread Co., \$11,132.99; Standard Chemical Co. Ltd., \$251,045.63; Standard Clay Products Ltd., \$33,245.52; Standard Construction Co., \$311,248.18; Standard Fish Co., \$19,519.03; Standard Fuel Co. of Toronto Ltd., \$80,086.87; Standard Machine Works, \$224,387.76; Standard Oil Co. of British Columbia Ltd., \$88,452.40; Standard Overall Co. Ltd., \$56,226.60; Standard Paper Box Ltd., \$11,299.52; Standard Paving Maritime Ltd., \$258,645.71; Standard Sanitary & Dominion Radiator Ltd., \$23,634.44; Standard Surgical Instrument Co., U.S.A., \$14,853.17; Standard Tube Co. Ltd., \$261,685.90; Standard Underground Cable Co. of Canada Ltd., \$18,901.33; Standard Wiping Products, \$12,979.92; Stanfields Ltd., \$202,530.25; Stanley Mfg. Co. Ltd., \$254,343.35; Stanley Tool Co., \$76,068.78; Stanley Works of Canada Ltd., \$11,401.72; Stanway Hutchins Ltd., \$63,607.80; Star Cleaners & Dyers, \$15,004.17; Star Shipyard "Mercers" Ltd., \$363,822.47; Stark Electrical Instruments Co., \$28,833.61; Stauffer, Dobbie Ltd., \$41,345.51; Frederick Stearns Co. of Canada Ltd., \$13,225.88; Steel Co. of Canada Ltd., \$462,225.90; Steel Equipment Co. Ltd., \$80,069.37; Steele Bros. Ltd., \$17,567.44; Reg. H. Steen Ltd., \$132,896.98; Steers Limited, \$57,816.67; Stelcks Ltd., \$12,897.74; Stenson Laboratories Ltd., \$12,460.71; Stephens, Adamson Mfg. Co. of Canada Ltd., \$236,787.53; G. F. Stephens Co. Ltd., \$16,083.88; J. W. Stephens Limited, \$84,478.03; E. S. Stephenson Co. Ltd., \$26,925.19; Stericloth Products Ltd., \$16,256.84; Sterling Aluminum Co., \$13,706.17; Storms Contracting Co. Ltd., \$1,095,443.88; Sterling Clothing Co., \$46,924.75; Sterling Construction Co. Ltd., \$434,511.58; Sterling Shirt & Overall Co. Ltd., \$13,059; Stevens Chemical Products Co. Ltd., \$23,860.50; Stevens, Hepner Co. Ltd., \$39,366.48; J. Stevens Son Co. Ltd., \$36,941.12; Stevens, Walden Inc., U.S.A., \$23,348.85; Stewart Construction Co. Ltd., \$1,405,404.72; Stewart, McIntosh Ltd., \$24,753.45; Stewart, Warner Alemite Corporation of Canada Ltd., \$60,608.56; M. Stone Clothing Co. Ltd., \$25,410; Stotland Dress Inc., \$10,043.39; James Strachan Ltd., \$17,399.17; Strathcona Garment Co., \$20,466.81; Strathroy Woollen Mills, \$34,882.35; Stromberg Carlson Telephone Mfg. Co. Ltd., \$17,462.82; A. Stroud, \$12,254.81; Sturgeons Ltd., \$16,467.12; Submarine Signal Co., U.S.A., \$36,860.21; Suburban Rapid Transit Co., \$55,844.23; M. Sullivan Son Ltd., \$194,311.07; W. B. Sullivan Construction Co., \$20,937.31; M. J. Sulphur Son, \$17,370.83; Summerside Ice Co., \$48,034.56; Town of Summerside, \$43,721.79; Sumner Co. Ltd., \$24,995.13; Sun Life Assurance Co. of Canada, \$54,984.61; Sunnen Products Co. Ltd., \$10,655.60; Superior Cloak Co., \$23,820.33; Superior Knitting Mills Ltd., \$51,905.78; Super-test Petroleum Corporation Ltd., \$90,148.65; Supreme Power Supplies Ltd., \$10,863.48; Surgical Supplies (Canada) Ltd., \$71,429.16; Town of Sussex, \$47,565.57; Sutherland Bakery Ltd., \$10,512.24; Calvin Sutor, \$67,675.36; Sutton Horsley Co. Ltd., \$429,455.39; Swartz Bros. Ltd., \$16,018.78; Swift Canadian Co. Ltd., \$3,593,196.83; W. H. Swift Ltd., \$111,300.24; Switlik Canadian Parachute Ltd., \$2,206,612.68; Sydney Foundry & Machine Works Ltd., \$100,866.35.

Arthur L. Tambling, \$12,163.62; Tarbox Bros. Ltd., \$21,034.22; Taylor Bros. Cutlery Co., \$13,939.93; Taylor Electric Mfg. Co., \$24,844.78; Taylor Forbes Co., \$36,414.48; Harry Taylor, \$11,490; J. J. Taylor Ltd., \$72,767.09; J. J. Taylor Sons, \$188,236.86; Taylor, Pearson & Carson Ltd., \$17,372.13; Tayside Textiles Ltd., \$104,168.12; Tebbutt Shoe & Leather Co. Ltd., \$123,223.24; Tees, Peresse Ltd., \$16,843.21; Temiskaming & Northern Ontario Railway, \$54,246.43; E. L. Terry, \$16,000; W. Harrison Terry, \$29,717.36; Terry Machinery Co., \$54,585.15; Tetrault Shoe Ltd., \$85,356.42; Texpack, \$53,599.16; Thayers Ltd., \$19,958.64; Pierre Thibault, \$151,482.52; Thode Bros. Ltd., \$13,385.44; Earle Thomas, \$23,865.30;

DEPARTMENT OF NATIONAL DEFENCE—*Con.*

Thompson Bros. Machine Co., \$343,251.42; Thompson, Jones & Co., \$86,321.30; S. C. Thompson Son, \$25,581.75; Thompson, Sutherland Ltd., \$74,061.55; W. H. Thorne Co. Ltd., \$20,147.78; Thornton, Truman Ltd., \$43,432.12; Thorp, Hambrook Co., \$111,282.96; Thunder Bay Co-operative Dairy Ltd., \$14,678.70; Thunder Bay Lumber Co. Ltd., \$40,145.90; Thunder Bay Flying Training School Ltd., \$334,679.29; C. R. Tillbrook, \$13,230.43; Timms Construction Ltd., \$437,896.32; Tip Top Cannery Ltd., \$23,602.13; Tip Top Tailors Ltd., \$1,848,294.02; John Tobin Co. Ltd., \$65,981.43; Toilet Laundries Ltd., \$17,711.16; R. F. Tolson, \$28,344.53; Tomlinson Construction Co. Ltd., \$3,572,916.83; Tooke Bros. Ltd., \$204,834.64; The Tope Construction Co., \$35,075.95; A. L. Torgis Son, \$12,413.28; Toronto Asphalt Roofing Mfg. Co., \$11,935.54; City of Toronto, \$36,837.91; Toronto General Trusts Corporation, \$21,819.67; Toronto Greyhound Lines Ltd., \$10,167.27; Toronto Hydro-Electric Commission, \$51,187.78; Toronto Iron Works Ltd., \$102,309.29; Toronto Launderers & Dry Cleaners, \$54,933.03; Toronto Milling Co., \$11,466.60; Toronto Shipbuilding Co., \$615,424.91; Toronto Terminals Rly. Co., \$22,573.56; University of Toronto, \$36,983.04; Tower Canadian Ltd., \$361,389.41; Towland Construction Co. Ltd., \$337,954.19; Vernet Tracy, \$11,181.57; Trans-Canada Air Lines, \$258,282.51; Transport Supply Co. Ltd., \$65,753.07; Traub Construction Co. Ltd., \$16,869.30; Travers Aprons Ltd., \$39,261.54; Trenholmlville Woollen Mills, \$12,667.24; Trenton Dairies, \$17,485.05; Trenton Public Utilities, \$16,099.65; H. O. Treice Co., \$149,821.36; Trio Shirt Mfg. Regd., \$193,543.32; Trotter Morton Ltd., \$66,379.56; Troy Laundry Dyeing Co., \$12,394.16; Truck Engineering Ltd., \$14,008.82; Geo. S. Trudell Co., \$14,632.95; Truscon Steel Co. (Canada) Ltd., \$63,278.40; The C. Turnbull Co. Ltd., \$93,805.98; Turnbull Elevator Co. Ltd., \$87,123.33; J. J. Turner & Sons Ltd., \$82,860.08; J. Spencer Turner Co. Ltd., \$81,814.39; Turner's Boat Works, \$21,747.20.

Underwood, Elliott, Fisher Ltd., \$220,755.05; Ungars Laundry Ltd., \$19,224.72; Uniform Co. Regd., \$1,482,201.95; Union Milk Co. Ltd., \$11,831.77; Union Oil Co. of Canada Ltd., \$173,397.54; Union Packing Co., \$102,065.77; Union Steamships Ltd., \$114,861.47; United Aircraft Products Inc., \$167,319.89; United Cannery Ltd., \$14,197.61; United Car Fastener Co. of Canada, \$48,937.34; United Chemical Co. Ltd., \$22,552.53; United Farmers Co-operative Co. Ltd., \$173,274.38; United Garments Ltd., \$97,513.93; United Shoe Machinery Co. of Canada Ltd., \$21,900.51; United States Gauge Co., \$74,412.49; United Steel Corporation Ltd., \$45,286.34; Universal Button Fastening and Button Co., \$13,776.77; Universal Cooler Co. Ltd., \$26,141.65; Universal Plumbing & Heating, \$105,772.53; Universal Signal Appliance Co., \$22,477.26; Uxbridge Woollen Mills Ltd., \$105,355.34; Universal Heating, \$56,847.19; U. S. Ordnance Engineers, Inc., \$192,394.08.

Vail's Launderers & Dry Cleaners Ltd., \$38,541.66; Valentine & Martin Ltd., \$433,526.47; Vallance Brown & Co. Ltd., \$10,919.69; Valley Creamery Ltd., \$12,021.57; Vancouver Air Training Co. Ltd., \$210,046.24; City of Vancouver Engineering Works, \$26,980.19; Vancouver Flour Sales Ltd., \$12,626.02; Vancouver Island Coal Ltd., \$77,799.40; Vancouver Radio Laboratories Ltd., \$11,035.50; Vancouver Shipyards Ltd., \$129,259.28; Vancouver Trunk & Bag Ltd., \$13,077.38; Hendrik Van Der Horst, \$25,900; Van Norman Machine Tool Co., \$20,249.60; Vance Bros., \$18,447.26; Vandry Incorporated, \$10,792.94; Vanzant Co., \$15,143.40; T. M. Vaughan, \$20,651.90; Raoul Vennat Engr., \$47,475.64; Vernon Steam Laundry & Zoric Cleaners, \$10,114.47; Viceroy Manufacturing Co. Ltd., \$463,856.16; Victor R.C.A. Co., \$700,215.85; Victor X-Ray Corporation of Canada Ltd., \$60,185.69; Victoria Brass & Iron Works Ltd., \$42,903.94; Victoria Coal Co. Ltd., \$53,905.35; Victoria Lumber & Manufacturing, \$15,433.72; Victoria Machinery Depot Co. Ltd., \$1,866,286.41; Victoria Motor Boat Repair Works, \$115,173.20; Victoria Paper Twine Co., \$22,450.75; Victoria Pile Driving Co. Ltd., \$45,253.28; City of Victoria, \$65,575.21; Vidal Research Corporation, \$27,750; Vilas Furniture Co. Ltd., \$142,761.96; Virden Flying Training School Ltd., \$630,659.33; Vivian Engine Works Ltd., \$119,559.32; Vulcan Asphalt Supply Co., \$13,965.28; Vulcan Iron Works Ltd., \$109,263.67.

Wabasso Cotton Co., \$121,682.28; Wabi Iron Work Ltd., \$15,921.46; F. E. Wade Co., \$25,224.24; Wade & Son, \$30,132.19; Waggs Laundry & Dry Cleaners, \$30,878.66; Wagner Brake Service Co., \$46,481.20; Wagstaffe Ltd., \$12,014.43; C. C. Wakefield Co., \$13,935.62; A. J. Walker & Son, \$15,363.63; Hiram Walker & Sons Ltd., \$11,416.30; Walker & Holberton Ltd., \$32,152.97; S. C. Walker Mfg. Co., \$11,621.19; Walter Walker Sons Ltd., \$25,866.88; Wallace Manufacturing Co. Ltd., \$50,355.44; Wallace Tiernan Ltd., \$27,152.52; E. A. Walsh Co., \$11,636.20; W. J. Walsh, \$12,369; Charles Warnock Co., \$18,712.38; Warner

DEPARTMENT OF NATIONAL DEFENCE—*Conc.*

Aircraft Corporation, \$14,192.92; Warren Bituminous Paving Co. Ltd., \$140,969.61; F. K. Warren, \$39,169; Warren Supply Company, \$11,063.90; Warrendale Shirt Co. Ltd., \$43,393.85; Warwick Woollen Mills Ltd., \$98,608.06; Wasco Valve Seat Co., \$10,195.62; Watchorn Co. Ltd., \$70,221.95; Frank Waterhouse & Co., \$21,026.90; Waterloo Bedding Co., \$26,130.53; Waterloo Mfg. Co., \$14,362.60; Waterman Waterbury Co., \$756,168.28; Watrous Ltd., \$302,991.20; Watson, Jack & Co. Ltd., \$33,341.27; Watt Scott, \$35,263.38; Way Sagless Spring Co., \$165,891.42; Wayne Pump Co., \$18,512.22; Weatherhead Co. of Canada Ltd., \$88,796.19; F. P. Weaver Coal Co. Ltd., \$256,379.61; Weaver Industries Ltd., \$160,917.17; Edward Webb & Sons (Canada) Ltd., \$30,536.83; Weddel Ltd., \$73,314.50; J. R. Weir Ltd., \$38,586.66; Welch & Johnston Ltd., \$18,731.56; Welland Vale Mfg. Co., \$22,128.69; Wells Air Harbour, \$17,130.43; W. C. Wells, \$959,314.67; C. H. Wentz Lbr. Ltd., \$10,557.35; West Coast Woollen Mills Ltd., \$217,839.49; West Coast Salvage Contracting Co., \$46,617.69; Western Cartridge Co., \$11,417.54; Western King Manufacturing Co., \$360,126.33; West Woods Ltd., \$11,112.90; Earl Westbrook, \$10,837.50; Western Canada Construction Co. Ltd., \$13,109.89; Western Canada Flour Mills Co., \$36,229.67; Western Canada Greyhound Lines, \$20,254.89; Western Construction Lumber Co. Ltd., \$1,081,122.04; Western Fair Association, \$11,000; Western Grocers Ltd., \$211,320.55; Western Glove Works Ltd., \$99,356.43; Western Manufacturing Co. Ltd., \$52,222.59; Western Nova Scotia Electric Co., \$21,519.96; Western Oil Co., \$27,020.77; Western Rubber Co. of Canada, \$26,650.89; Western Shirt & Overall Mfg. Co. Ltd., \$175,410.69; Western Steel Products Corporation Ltd., \$210,713.94; University of Western Ontario, \$12,523.37; G. A. Westhaver & Son, \$12,419.08; Westinghouse Electricity Mfg. Co., \$23,580.35; City of Westmount, \$17,257.02; Weston's Bread & Cake Ltd., \$76,795.62; Westwoods Ltd., \$116,261.30; W. C. Wetmore & Co., \$20,623.18; Whaley, Royce Co. Ltd., \$66,785.55; Wheaton Brothers Ltd., \$161,175.12; Ambrose Wheeler Ltd., \$590,045.76; H. D. Wheeler Ltd., \$28,685.56; A. E. Whidden, \$13,355.80; White Canadian Aircraft Ltd., \$700,528.26; S. S. White Dental Mfg. Co., \$29,463.48; White Mop Wringer Co. of Canada, \$11,173.39; Whitehead Metal Products of Canada Ltd., \$121,053.90; White's Hardware Ltd., \$16,717.30; Whitfield Engineering, Ltd., \$12,750.89; Wholesale Fuel Co., \$11,780.83; Whyte Packing Co. Ltd., \$57,229.27; H. A. Wickett Co. Ltd., \$17,483.28; W. Wight Co. Ltd., \$48,999.18; Thomas H. Wilcox Sons, \$10,121.85; Wildfire Coal Sales, \$26,135.23; Wilkinson Co. Ltd., \$12,790.88; Wilkinson & Kompass Ltd., \$14,365.56; Wilkinson & McLean Ltd., \$12,088.65; Willard Storage Battery Co. of Canada, \$52,194.71; Willet Fruit Co., \$74,384.01; A. R. Williams Machinery Co. Ltd., \$82,527.66; Williams Brothers, \$98,842.26; R. Williams, \$75,051.04; Williams Shoe Ltd., \$70,523.92; Williams Trerise, Williams Ltd., \$78,129.26; Williams Trow Knitting Co., \$15,120.24; Williams Wilson Ltd., \$157,956.42; J. Fred Williamson Ltd., \$56,118.21; Willoughby, Ross, Ritcey, \$17,600; Willys-Overland Motors Inc., \$2,459,159.97; L. A. Wilmot, \$30,316.41; Wilsil Ltd., \$153,004.37; Wilson Boxes Ltd., \$23,138.04; Wilson Coal Co., \$21,268.40; Marien & Wilson Ltd., \$139,368.11; Wilson Freightways Ltd., \$11,375.32; K. R. Wilson, \$22,401.66; Wilson Motor Bodies Ltd., \$156,365.77; J. W. Windsor Co. Ltd., \$18,859.40; Windsor Flying Training School Ltd., \$431,923.45; Windsor Mills Flying Training School Ltd., \$255,046.30; Winnipeg Air Observer School Ltd., \$558,075.07; City of Winnipeg, \$27,679.10; Winnipeg Electric Co., \$43,618.63; Winnipeg Paint & Glass Co. Ltd., \$16,145.88; Winnipeg Hydro-Electric, \$27,622.67; Winnipeg Supply Fuel Co. Ltd., \$93,606.05; Wonder Bakeries Ltd., \$28,535.92; Wonderful Soap Co. Ltd., \$45,325.05; Wood, Alexander & James Ltd., \$75,834.94; Wood Brothers Co. Ltd., \$14,585.11; G. H. Wood Co. Ltd., \$128,122.44; Woodland Dairy Ltd., \$12,198.04; Woods Manufacturing Co. Ltd., \$1,158,319.24; Woodstock Typewriters of Canada, \$11,729; E. H. Woolnough Inc., \$18,323.36; A. Workman Co. Ltd., \$12,906.84; Workman Uniform Co. Ltd., \$3,563,604.24; Wright Fruit Co. Ltd., \$62,518.15; Wright Industries, \$15,220.16; R. W. Wright Co., \$10,177.63; V. Wright Wholesale Produce, \$77,686.44; Wright's Canadian Ropes Ltd., \$163,278.63; Wrought Iron Range Co., \$106,587.45; A. E. Wry Standard Ltd., \$125,555.99; John Wyeth Bros. (Canada) Ltd., \$103,730.43; A. L. Wynston Jr., Ltd., \$13,019.45.

Yale & Towne Mfg. Co., \$12,759.78; Yamaska Garments Ltd., \$114,548.50; Yarrows Ltd., \$2,155,549.94; York Knitting Mills Ltd., \$309,448.66; York Safe & Lock Co., \$1,116,547.97; York Sales Co., \$37,310.48; York Trading Ltd., \$31,239.49; F. W. Young Co. Ltd., \$14,142.95; Young Men's Christian Association, \$11,485.40; Yukon Southern Air Transport, \$13,121.28;

Zemans Produce Co., \$23,357.73; Zephyr Looms & Textiles Ltd., \$1,519,276.52.

NATIONAL HARBOURS BOARD

Halifax	Allotments	Expenditures	Lapsed
Extension of Pier No. 9	708,600 00	627,221 03	81,378 97
Lighterage Berth at Fish Pier	69,000 00	66,124 80	2,875 20
Moorings for Ships under repair	230,000 00	204,376 89	25,623 11
Operation of Fire Tug	53,000 00	47,662 28	5,337 72
St. John			
Wooden Pile Dock	622,000 00	589,467 57	32,532 43
Montreal			
Purchase of Locomotive Cranes	115,000 00	112,602 00	2,398 00
Total	<u>\$1,797,600 00</u>	<u>\$1,647,454 57</u>	<u>\$ 150,145 43</u>

<i>Allotment: Halifax, Extension to Pier</i>	708,600 00
<i>Expenditures</i>	627,221 03
<i>Lapsed</i>	<u>\$ 81,378 97</u>

Comments on Expenditures

The contractor, J. P. Porter and Sons Ltd., Montreal, was paid \$611,081.96 on account; sundry payments for administration, engineering, etc., \$16,139.07.

<i>Allotment: Halifax, Lighterage Berth at Fish Pier</i>	69,000 00
<i>Expenditures</i>	66,124 80
<i>Lapsed</i>	<u>\$ 2,875 20</u>

Comments on Expenditures

Lighterage berth at Fish Pier: T. C. Gorman (Nova Scotia) Ltd., construction cost, \$61,880.37; Canadian National Railways, grading and track installation, \$2,212.19; sundry payments, \$2,032.24.

<i>Allotment: Halifax, Moorings for ships under repair</i>	230,000 00
<i>Expenditures</i>	204,376 89
<i>Lapsed</i>	<u>\$ 25,623 11</u>

Comments on Expenditures

Atlantic Construction Co., Halifax, construction of jetty, \$94,884.45; J. P. Porter & Sons Ltd., Montreal, construction of mooring pier less 10 per cent drawback, \$96,264.41; Dominion Bridge Co. Ltd., steel bars, \$3,815.42; sundry payments, \$9,412.61.

<i>Allotment: Halifax, Operation of Fire Tug</i>	53,000 00
<i>Expenditures</i>	47,662 28
<i>Lapsed</i>	<u>\$ 5,337 72</u>

Comments on Expenditures

Rent of fire tug including consumable supplies, labour, etc., J. P. Porter & Sons Ltd., \$26,448.55; sundry expenses, \$30,891.15; less amount paid by City of Halifax, \$9,677.42.

AUDITOR GENERAL'S REPORT

NATIONAL HARBOURS BOARD—*Conc.*

Allotment: St. John, Wooden Pile Dock	622,000 00
Expenditures	589,467 57
Lapsed	\$ 32,532 43

Comments on Expenditures

Diamond Construction Co. Ltd., Fredericton, construction cost, \$567,860.84; sundry payments for administration, engineering, etc., \$21,606.73.

Allotment: Montreal, Purchase of Locomotive Cranes	115,000 00
Expenditures	112,602 00
Lapsed	\$ 2,398 00

Comments on Expenditures

Three cranes were purchased from International Equipment Co., Ltd., at a cost of \$111,960, the balance of the expenditure being engineering, inspection and testing expenses. \$642.

DEPARTMENT OF NATIONAL REVENUE

	<u>Allotment</u>	<u>Expenditures</u>	<u>Lapsed</u>
Censorship of newspapers and other publications	3,905 00	3,903 31	1 69
Total	\$ 3,905 00	\$ 3,903 31	\$ 1 69

Comment

As of March 31, 1942, there were 2 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over at that date. The expenditures were distributed as follows: salaries, \$3,514.11; stationery, \$389.20.

DEPARTMENT OF NATIONAL WAR SERVICES
REVENUES

Refund of previous year's expenditure\$1,209 20

Certified correct.

L. R. LaFLECHE,
T. C. DAVIS,
*Associate Deputy Ministers of
National War Services.*

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

DEPARTMENT OF NATIONAL WAR SERVICES—*Con.*

EXPENDITURES

A total of \$3,567,719.00 was allotted to the Department of National War Services from the War Appropriation. Expenditures amounted to \$3,218,232.49, an increase of \$848,373.56 over the fiscal year 1940-41.

	Allotments	Expenditures	Lapsed
Departmental Administration	83,701 00	83,257 65	443 35
National Registration	289,670 00	274,274 89	15,395 11
Mobilization	741,345 07	633,431 12	107,913 95
Public Information	788,193 00	787,574 73	618 27
Human and Material Resources	21,136 00	19,340 81	1,795 19
Salvage	175,581 00	159,218 23	16,362 77
War Charities	27,572 00	26,733 54	838 46
War Charities—Auxiliary Services	1,375,000 00	1,175,000 00	200,000 00
Women's Voluntary Services	3,500 00	756 95	2,743 05
Radio Broadcasting Censorship	24,943 00	21,583 37	3,359 63
Civilian Technical Corps	27,077 93	27,077 93	
War Film Library	10,000 00	9,983 27	16 73
Total	\$3,567,719 00	\$3,218,232 49	\$ 349,486 51

Allotment: Departmental Administration	83,701 00
Expenditures	83,257 65
Lapsed	\$ 443 35

	Expenditures
A Salaries	56,143 27
B Travelling Expenses	1,281 96
C Printing, Stationery Supplies and Equipment	19,918 02
D Telephones, Telegrams and Postage	3,760 55
E Miscellaneous	2,153 85
	\$ 83,257 65

Purposes for which Allotments were Provided

General administrative expenses including the expenses and salaries of the personnel of two Associate Deputy Ministers' Offices.

Comments on Expenditures

A There were 32 employees on March 31, 1942. The following were receiving annual salaries of \$2,400 or over on that date: L. R. LaFleche, Associate Deputy Minister, \$9,000; M. A. Curtin, \$2,400; G. Deas, \$3,000; G. S. Hosken, \$3,120; J. A. Hume, \$4,080; A. McLean, \$4,500. Hon. T. C. Davis, Associate Deputy Minister, received a living allowance of \$3,440.

Audit Note

Salary was paid to one employee whose employment was not authorized in accordance with the regulations.

B Travelling expenses in excess of \$300 were paid as follows: Hon. J. T. Thorson, \$900.

C This expenditure covers accounts of the King's Printer for envelopes and letterheads, forms and regulations, typewriters and equipment, etc.

D Expenses itemized in this connection are as follows: telephones, \$1,446.90; telegrams, \$1,383.83; postage, \$929.82.

DEPARTMENT OF NATIONAL WAR SERVICES—*Con.*

<i>Allotment: National Registration</i>	289,670 00
<i>Expenditure</i>	274,274 89
<i>Lapsed</i>	\$ 15,395 11

Expenditures

A Salaries	245,217 01
B Rental of Machines	6,580 00
C Printing, Stationery Supplies and Equipment	19,920 89
D Miscellaneous	2,556 99
	\$ 274,274 89

Purposes for which Allotments were Provided

Expenditures incurred in (a) carrying out the requirements of the National Registration Regulations; (b) recording and tabulating new registrations; (c) recording changes of address and matrimonial status; (d) compiling statistical and other information as required. Under authority of Order in Council P.C. 2253, March 21, 1942, the duties, powers, and functions vested in the Minister of National War Services were thereby transferred to the Minister of Labour.

Comments on Expenditures

A There were 234 employees on March 31, 1942. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): A. J. Fraser, \$2,520; V. A. Wood, \$2,400 (July 1).

Audit Note

Salary was paid to one employee whose employment was not authorized in accordance with the regulations.

B Mechanical sorters, tabulators, verifiers, etc., were rented for the purpose of compiling the required information. Payment of the entire expenditure was made to the International Business Machines Co., Ltd., Toronto.

C The King's Printer received \$9,976.42 for envelopes and letterheads, punch cards and post-cards, typewriters and equipment, etc. Remington Rand Ltd., Toronto, received \$9,944.44 for installing Soundex equipment.

<i>Allotment: Mobilization</i>	741,345 07
<i>Expenditures</i>	633,431 12
<i>Lapsed</i>	\$ 107,913 95

Expenditures

A Salaries	300,493 83
B Fees and Allowances	28,302 90
C Travelling Expenses	10,770 90
D Printing, Stationery Supplies and Equipment	60,870 03
E Advertising	18,313 43
F Transportation	90,847 41
G Meals	19,380 94
H Lodgings	3,036 67
I Medical Examinations	84,586 00
J Telephones and Telegrams	9,338 73
K Miscellaneous	7,490 28
	\$ 633,431 12

DEPARTMENT OF NATIONAL WAR SERVICES—*Con.***Purposes for which Allotments were Provided**

Expenditures incurred in (a) calling out men for (i) military training (ii) alternative service (iii) special duty as members of the Royal Canadian Mounted Police in accordance with the National War Services Regulations; (b) mobilizing (i) Women's Volunteer Auxiliaries (ii) Canadian Fire Fighters Corps; (c) providing a service of directing those seeking war employment and training to proper employment or training agencies; (d) giving information regarding Canadian prisoners of war and internees in enemy occupied territories.

Expenses of Ottawa Headquarters and 13 Administrative Divisions were as follows: Ottawa Headquarters, \$98,886.30; London, \$25,720.31; Toronto, \$59,872.36; Kingston, \$33,723.43; Port Arthur, \$12,928.26; Montreal, \$84,705.21; Quebec, \$74,573.94; Nova Scotia, \$28,760; New Brunswick, \$23,853.78; Prince Edward Island, \$7,048.11; Manitoba, \$37,958.63; Vancouver, \$46,426.25; Saskatchewan, \$53,545.75; Alberta, \$45,428.79. Included in the above expenditures, Alternative Service amounted to \$20,360.81; Mobilizing women for the armed services prior to completion of recruiting arrangements by the Department of National Defence, \$15,677.12; Corps of Canadian Fire Fighters, \$3,537.71.

Comments on Expenditures

A There were 242 employees on March 31, 1942. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): G. R. G. Benoit, Supervisor of Recruiting for Military Training, \$5,000; H. H. Christie, Supervisor of Military Training Medical Services, \$5,000; G. E. Huff, Commander of Civilian Canadian Fire Fighters for Service in the United Kingdom, \$5,000; J. B. Dever, \$3,600; H. P. Drouin, \$3,600; W. A. Elliott, \$3,600; W. O. Farquharson, \$2,520; A. de Gaspé-Tache, \$2,520; C. R. Gilmour, \$2,520; J. P. Hooper, \$3,600; R. A. Irwin, \$3,600; L. Lamoureux, \$3,600; J. E. Lesage, \$4,200 (June 19); N. M. MacNeill, \$2,520; W. A. Martin, \$3,600; R. McAllister, \$2,520; L. McDonell, \$3,600; J. P. McIsaac, \$3,600; P. McLeod, \$2,520 (Feb. 16); C. D. McPherson, \$3,600; C. V. Mills, \$2,520; E. Mingo, \$3,600; G. O. Parry, \$3,600; C. G. Pennock, \$3,600; R. Rainville, \$3,000; R. Ranger, \$2,520; P. E. Rodier, \$4,020; F. C. Wilson, \$3,600.

Audit Note

Salaries were paid to 57 employees whose employment was not authorized in accordance with the regulations.

B Excepting the chairman and other members of the judiciary, who being judges of the Courts served without remuneration, members of the Administrative Boards received \$15 a day, or portion thereof, while engaged on business of the Boards including the time they were necessarily absent from their usual places of residence. In addition to transportation expenses, a living allowance of \$7 a day, or part thereof, for each day or fraction of a day that they were necessarily absent was also paid. Judges received \$10 a day living allowance, in addition to transportation expenses, while attending at incorporated cities, and \$6 elsewhere. Fees paid to members of the Boards amounted to \$17,388.75. Those receiving more than \$1,000 in this connection were as follows: O. Auger, \$1,136.25; C. H. Barr, \$1,087.50; G. H. Bickerton, \$1,323.75; Hon. J. L. Bowman, \$1,020; P. Dumais, \$2,700; E. Feir, \$1,968.75; J. R. McLaren, \$1,113.75; F. Messier, \$1,035; W. A. Parisien, \$1,106.25; A. C. Stewart, \$1,140.

C B Travelling expenses, including travelling allowances, in excess of \$300 were paid as follows: Hon. J. E. Adamson, \$970.50; T. Barnard, \$548.54; G. R. G. Benoit, \$784.21; G. H. Bickerton, \$795.25; Hon. J. L. Bowman, \$747.05; G. R. Carmichael, \$913.13; H. H. Christie, \$332.53; Hon. K. L. Crowell, \$722.45; P. Dumais, \$1,601.49; Hon. J. F. Embury, \$1,417.31; E. Feir, \$1,106.02; Hon. A. W. Greene, \$506.58; Hon. H. Harvey, \$586; H. Lemay, \$1,740.95; Hon. N. McArthur, \$773.15; J. R. McLaren, \$612.19; F. Messier, \$727.30; W. A. Parisien, \$843; F. C. Ridley, \$424.96; Hon. A. Savard, \$560.60; A. C. Stewart, \$779.72.

D For envelopes and letterheads, forms and regulations, typewriters and equipment, etc., the King's Printer received \$60,659.31.

E Payment of the entire expenditure was made to the McLaren Advertising Co., Ltd., Toronto.

DEPARTMENT OF NATIONAL WAR SERVICES—*Con.*

- F** Except in the case of the Fire Fighters, transportation was effected by travelling warrants exchangeable for second class transportation tickets. The average mileage rate paid transportation companies was 1½ cents per mile. The Canadian National Railways received \$38,151.32; Canadian Pacific Railway, \$34,060.18.
- G** Recruits received a subsistence allowance of 50 cents a meal for the number of meals that would normally be required for the period of their transportation.
- H** A lodging allowance of \$1.25 for each night spent at a stop-over point was paid to those who for reasons beyond their control found it necessary to do so.
- I** Recruits called for military training attended at their nearest physicians' for medical examination. For each examination and certificate of physical fitness a fee of \$1 was paid.

Allotment: Public Information	788,193 00
Expenditures	787,574 73
Lapsed	\$ 618 27

	Expenditures
A Salaries	153,452 49
B Travelling Expenses	14,221 80
C Motion Pictures	286,710 95
D Overseas Publicity	2,347 68
E Radio	11,963 65
F Photographs and Mats	43,007 26
G Pamphlets	143,067 67
H Posters and Art Work	35,502 48
I Printing, Stationery Supplies and Equipment	44,539 24
J Public Speaking	5,949 27
K Telephones, Telegrams and Postage	17,940 49
L Miscellaneous	28,871 75
	\$ 787,574 73

Purposes for which Allotments were Provided

Expenditures in connection with the collection, co-ordination, and dissemination of information concerning all phases of Canada's war effort, and the various activities of government related thereto. Expenses relating to programs undertaken to stimulate public morale and to obtain from the Canadian people their utmost co-operation in the national emergency.

Comments on Expenditures

- A** There were 115 employees on March 31, 1942. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): G. Alexander, \$2,820; G. S. Bagley, \$3,600; P. A. Bridle, \$2,400 (Dec. 22); L. W. Brockington, \$9,000 (Mar. 16); A. Cloutier, \$4,000; J. S. Connolley, \$2,640; O. Dalglish, \$3,650; J. M. Dechene, \$2,400; F. Denis, \$3,120; R. A. Draper, \$2,880; R. Foster, \$3,300; D. Fremont, \$3,120; G. Hambleton, \$3,000; W. B. Herbert, \$4,800; V. J. Kaye, \$2,520; T. W. L. MacDermot, \$5,000; A. J. McKenna, \$4,020; W. P. McLeod, \$2,400; N. Morant, \$3,300; T. Phillips, \$4,392; F. Pike, \$2,400; P. Ranger, \$3,120; J. G. Robertson, \$2,400 (Oct. 27); H. N. Rowed, \$2,400; P. P. Saint-Loup, \$2,820; G. W. Simpson, \$4,500; R. Tessier, \$2,640; J. P. Wadge, \$2,500 (Dec. 1); D. P. Wallace, \$2,400. The following were paid at the rate of \$10 a day: G. Jasmin, \$3,650; P. Labelle, \$2,900 (Jan. 16); B. West, \$3,650. Living allowances were paid as follows: G. H. Lash, Associate Director, \$3,300; C. Melancon, Associate Director, \$2,950.
- B** Travelling expenses in excess of \$300 were paid as follows: R. G. Brown, \$1,845.08; A. Cloutier, \$623.86; E. A. Corbett, \$554.66; W. B. Herbert, \$433.86; P. Labelle, \$515.39; G. H. Lash, \$461.06; T. W. L. MacDermot, \$813.59; N. Morant, \$2,544.27; T. Phillips, \$428.82; P. Ranger, \$343.53; H. N. Rowed, \$2,202.38; G. W. Simpson, \$468.25; B. West, \$1,613.92.

DEPARTMENT OF NATIONAL WAR SERVICES—*Con.*

C Theatrical and non-theatrical motion pictures and newsreels of wartime subjects were produced by the National Film Board and distributed throughout Canada, the United States, and Overseas. In this connection, a donation of \$3,000 was received from the Globe Printing Co., Ltd., Toronto. Non-theatrical sixteen-millimetre reproductions were supplied for use in halls, churches, schools, and factories. To facilitate a monthly showing of these reproductions to communities not normally served with motion pictures, equipment was purchased and forty circuits established across Canada.

Payments over \$5,000 were made to the following: Associated Screen News Ltd., Montreal, \$93,809.38; Audio Pictures Ltd., Toronto, \$13,175.14; Cinecraft Studios Inc., New York, \$16,360; Crawley Films Ltd., Ottawa, \$5,974.77; De Luxe Laboratories Inc., New York, \$7,745.19; General Films Ltd., Regina, \$16,705.82; Film Centre Ltd., London, Eng., \$6,769.61; Motion Picture Bureau, Ottawa, \$35,026.98.

E Speeches and programs of an educational nature designed to (a) foster Canadian unity, (b) provide basic information about the Canadian war effort, (c) answer questions in the public mind, were broadcast regularly over various radio stations regionally and from coast to coast. Expenses in this connection include the following payments: Canadian Broadcasting Corporation, Ottawa, \$7,860.85; Baudry-Harwood Radio Productions, Montreal, \$2,677; Radio Programme Producers, Montreal, \$1,300.

F Still photographs providing coverage of Canada's wartime activities were distributed in print and mat form to newspapers and periodicals in Canada, the United States, and Overseas. Window display pictures were made available for large departmental stores, libraries, and exhibitions. Payments over \$3,000 were made to the following: The Gilliams Service Inc., New York, \$14,497.85; Motion Picture Bureau, Ottawa, \$7,962.76; Mortimer Ltd., Ottawa, \$4,654.28; Citizen Publishing Co., Ltd., Ottawa, \$4,526.75.

G This expenditure covers the cost of producing and distributing booklets, leaflets, and folders designed to (a) describe various aspects of Canada's war activities, (b) encourage popular attachment to the democratic way of life, (c) stimulate public morale. World wide distribution was effected. The King's Printer received \$139,585.56 of this expenditure.

H Artists were engaged and posters produced to intensify public participation in the war effort, and to discourage careless talk about topics of interest to the enemy. Distribution was made to service clubs, boards of trade, industrial plants, schools, etc. Small size miniatures suitable for insertion in ordinary correspondence envelopes were distributed to Government departments, insurance companies, banks, public utilities, etc. The King's Printer received \$29,133.70.

I Payment of \$44,297.55 was made to the King's Printer for envelopes and letterheads, stationery and supplies, typewriters and equipment, etc.

J Public speakers addressed local gatherings throughout Canada on a variety of topics pertaining to the war effort.

K Expenditures itemized in this connection are as follows: telephones, \$2,470.50; telegrams, \$1,947.29; postage, \$13,522.70.

L This includes advertising amounting to \$2,729.93; express and cartage, \$7,820.38; newspaper subscriptions, \$4,123.99; and a grant of \$8,000 to the Canadian Council of Education for Citizenship to assist this organization in meeting its general administrative expenses.

Allotment: Human and Material Resources	21,136 00
Expenditures	19,340 81
Lapsed	\$ 1,795 19
	<hr/>
	Expenditures
A Salaries	14,362 64
B Travelling Expenses	4,043 16
C Stationery Supplies and Equipment	698 11
D Telephones and Telegrams	148 66
E Miscellaneous	88 24
	<hr/>
	\$ 19,340 81
	<hr/>

DEPARTMENT OF NATIONAL WAR SERVICES—*Con.***Purposes for which Allotments were Provided**

Costs of making surveys of the material resources of Canada with a view to maintaining supplies and services essential to the Nation. Expenditures relating to the study of the need for, and distribution of, wartime labour. Administrative salaries in connection with the direction of the National Salvage Campaign. The functions of this division were discontinued August, 1941. A new division was established to direct the activities of the National Salvage Campaign. (See "Salvage" allotment).

Comments on Expenditures

- A** The following were receiving annual salaries of \$2,400 or over at date of separation (shown in brackets): R. J. Waterous, Director of Human and Material Resources, \$6,000 (Aug. 22); D. Agnew, \$2,400 (July 16); R. H. Matheson, \$3,000 (Aug. 16); H. W. Monahan, \$4,020 (Aug. 16).
- B** Travelling expenses in excess of \$300 were paid as follows: W. S. Campbell, \$1,573.21; R. H. Matheson, \$746.48; H. W. Monahan, \$627.01; R. J. Waterous, \$803.07.

<i>Allotment: Salvage</i>	175,581 00
<i>Expenditures</i>	159,218 23
<i>Lapsed</i>	\$ 16,362 77

Expenditures

A Salaries	15,680 22
B Travelling Expenses	7,342 34
C Publicity	127,349 71
D Printing and Stationery	2,728 97
E Telegrams and Telephones	854 65
F Miscellaneous	5,262 34
	\$ 159,218 23

Purposes for which Allotments were Provided

Expenditures incurred in (a) encouraging the conservation of raw materials; (b) promoting the salvage, collection, and disposal of secondary raw materials; (c) directing and supervising the organizing of voluntary salvage groups.

Comments on Expenditures

- A** These expenses include the salaries of Industrial and Provincial Organizers appointed for the purpose of arranging a salvage corps in each municipality throughout Canada. There were 21 employees on March 31, 1942. The following were receiving annual salaries of \$2,400 or over on that date: H. S. Athey, \$2,880; R. Charbonneau, \$2,880; E. Fisher, \$2,880; F. C. B. Henstridge, \$3,300; G. N. Hummel, \$2,880; W. S. Kickley, \$2,880; J. O. Laird, \$2,880; J. F. McCallum, \$3,120; W. F. Mesley, \$2,880; H. N. M. Stanbury, \$2,880; R. Wilkinson, \$2,880.
- B** Travelling expenses in excess of \$300 were paid as follows: H. S. Athey, \$550.22; R. Charbonneau, \$810.81; F. C. B. Henstridge, \$307.64; G. N. Hummel, \$1,060.76; Wm. Knightley, \$947.11; J. O. Laird, \$904.92; W. F. Mesley, \$641.36; A. A. Pariseau, \$318.42; A. Sheline, \$334.28; H. N. M. Stanbury, \$662.16.
- C** Payment of \$104,615.04 was made to R. C. Smith & Son Ltd., Toronto, for newspaper, billboard, and radio advertising. Posters, leaflets, and pamphlets were ordered through the King's Printer in the amount of \$19,702.78. For the production of a motion picture trailer Associated Screen News Ltd., Montreal, received \$2,962.73.
- F** This includes the following expenditures: Post Office Department, shipping charges, \$2,072.60; M. G. Cohen, salvage adviser, travelling expenses, \$1,140.95; Charles Clay, author and journalist, \$1,559.

DEPARTMENT OF NATIONAL WAR SERVICES—*Con.*

<i>Allotment: War Charities</i>	27,572 00
<i>Expenditures</i>	26,733 54
<i>Lapsed</i>	\$ 838 46

	Expenditures
A Salaries	16,134 47
B Travelling Expenses	3,196 89
C Travelling Expenses—Advisory Board	4,890 69
D Printing, Stationery Supplies and Equipment	1,809 62
E Miscellaneous	701 87
	\$ 26,733 54

Purposes for which Allotments were Provided

Expenses in the administration of the War Charities Act, and the regulations made thereunder. Expenditures in promoting, organizing, and co-ordinating various forms of voluntary assistance.

Comments on Expenditures

- A** There were 9 employees on March 31, 1942. The following were receiving annual salaries of \$2,400 or over on that date: E. W. Stapleford, Director of War Charities, \$5,000; G. Pipher, \$3,900; W. P. Wood, \$3,120.
- B** Travelling expenses in excess of \$300 were paid as follows: G. Pipher, \$2,742.52.
- C** Travelling expenses in excess of \$300 were paid to members of the National War Charities Funds Advisory Board as follows: H. W. Binning, \$372.38; J. C. Davis, \$832.69; T. S. Dixon, \$1,038.80; W. S. Grant, \$442.99; W. T. Henry, \$781.89; J. J. Leddy, \$681.46; L. T. des Rivières, \$369.01.

<i>Allotment: War Charities—Auxiliary Services</i>	1,375,000 00
<i>Expenditures</i>	1,175,000 00
<i>Lapsed</i>	\$ 200,000 00

	Expenditures
Young Men's Christian Assn. War Services Fund	500,000 00
Young Women's Christian Assn. National War Services Fund	75,000 00
Navy League of Canada	100,000 00
Canadian Legion War Services Incorporated	300,000 00
Knights of Columbus Canadian Army Huts Fund	200,000 00
	\$1,175,000 00

Purpose for which Allotment was Provided

Payment of accountable grants in accordance with Order in Council, P.C. 2199, March 20, 1942.

Comment on Expenditure

Accountable grants effective January 1, 1942, were made to the above organizations for the purpose of financing their war auxiliary programs in camps, barracks, and special defence areas in Canada and Overseas. Budgets were submitted to the National War Charities Funds Advisory Board. Expenditures must not exceed the itemized accounts of the finally approved budgets. Accounts were audited under Government supervision.

DEPARTMENT OF NATIONAL WAR SERVICES—*Con.*

<i>Allotment: Women's Voluntary Services</i>	3,500 00
<i>Expenditures</i>	756 95
<i>Lapsed</i>	\$ 2,743 05

	Expenditures
A Salaries	650 00
B Travelling Expenses	106 95
	\$ 756 95

Purposes for which Allotments were Provided

Expenditures necessary to promote the co-ordination of the voluntary efforts of the women of Canada, and to organize women's voluntary services on community basis.

Comments on Expenditures

A There were 2 employees on March 31, 1942. The following were receiving annual salaries of \$2,400 or over on that date: N. H. West, Director, \$4,800; F. Held, \$3,000.

<i>Allotment: Radio Broadcasting Censorship</i>	24,943 00
<i>Expenditures</i>	21,583 37
<i>Lapsed</i>	\$ 3,359 63

	Expenditures
A Salaries	7,633 17
B Travelling Expenses	4,261 08
C Teletype, Telephone and Telegraph	6,451 71
D Printing and Stationery Supplies	2,073 87
E Miscellaneous	1,163 54
	\$ 21,583 37

Purpose for which Allotment was Provided

Salaries and administrative expenses relating to Radio Broadcasting Censorship.

Comments on Expenditures

A There were 3 employees on March 31, 1942. The following were receiving annual salaries of \$2,400 or over on that date: A. B. M. Bell, \$3,600; G. Belleau, \$2,520.
B Travelling expenses in excess of \$300 were paid as follows: R. P. Landry, \$1,843.07; C. Shearer, \$1,726.99.

<i>Allotment: Civilian Technical Corps</i>	\$ 27,077 93
<i>Expenditures</i>	27,077 93

Purpose for which Allotment was Provided

Under authority of Treasury Board Minute T209220 B, July 3, 1941, cash allotments up to \$50,000 were authorized as a revolving fund to cover expenditures made by the Department in connection with the Civilian Technical Corps, such expenditures to be recouped to the Department by the Government of the United Kingdom. The above expenditure remains in the process of being recovered.

DEPARTMENT OF NATIONAL WAR SERVICES—*Cont.*

<i>Allotment: War Film Library</i>	10,000 00
<i>Expenditures</i>	9,983 27
<i>Lapsed</i>	\$ 16 73

Expenditures

A Salaries	1,469 00
B Travelling Expenses	319 32
C Motion Picture Prints	7,970 07
D Miscellaneous	224 88
	\$ 9,983 27

Purpose for which Allotment was Provided

Expenditures in establishing a special war library to anticipate the needs of various Government departments in the production of future films of wartime activities.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

	<u>Allotments</u>	<u>Expenditures</u>	<u>Lapsed</u>
Treatment and Pension Examinations—Members and ex-members Defence Forces (present war)	2,700,000 00	2,695,586 13	4,413 87
Treatment—R. C. M. Police	96,000 00	94,048 06	1,951 94
Pensions—Defence Forces, Fishermen and Seamen	895,000 00	886,276 43	8,723 57
Air Raid Precautions	700,000 00	618,560 51	81,439 49
Investigations—Dependents' Allowance Board..	26,000 00	25,120 12	879 88
Inspection of Industrial Plants	17,000 00	14,146 57	2,853 43
Treatment of Canadian Fishermen and Seamen	1,500 00	560 50	939 50
Laboratory of Hygiene—Bacteriological and Biological Assistance to Department of National Defence	12,000 00	8,398 83	3,601 17
Public Health Engineering—Inspection of Camps and Airports re Sanitation and Water Supply	16,000 00	14,396 00	1,604 00
Foods and Drugs—Examination of Supplies for Department of National Defence	4,000 00	2,611 00	1,389 00
Quarantine Service	60,000 00	51,957 80	8,042 20
Hire of Boat—Halifax Harbour	14,400 00	14,400 00	
Committee on Demobilization	12,200 00	9,486 95	2,713 05
Immigration Medical Inspection, Overseas Division—Evacuation from England	3,000 00	2,579 27	420 73
Maintenance and Medical and Other Care of Incapacitated Non-resident Seamen, pending deportation	10,000 00	9,913 93	86 07
Processing, storage and distribution of Blood for Transfusion	125,000 00	100,340 46	24,159 54
Committee on Reconstruction	9,500 00	8,787 41	712 59
Detention Allowances—Canadian Seamen	100,000 00	52,971 31	47,028 69
Post Discharge Re-establishment—Payment of out-of-work benefits	125,000 00	104,424 90	20,575 10
Additional Accommodation—Departmental Hospitals	117,800 00	102,974 14	14,825 86

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH—*Con.*

	Allotments	Expenditures	Lapsed
Erection of an extension to the Nurses' Residence, Westminster Hospital	35,000 00	33,499 16	1,500 84
Erection of three Staff Houses and a Recreation Building—Ste. Anne's	60,000 00	46,369 35	13,630 65
Construction of a wing at Park Savard Hospital, Quebec	60,200 00	42,923 45	17,276 55
Improvements—Deer Lodge Hospital	15,000 00	13,502 85	1,497 15
Remodelling the district office building at Shaughnessy Hospital to provide an infectious unit of 50 beds	23,100 00	19,784 20	3,315 80
Additions to Camp Hill Hospital, Halifax	76,000 00	52,403 94	23,596 06
Alterations and Additions to Lancaster Hospital, Saint John	154,000 00	133,108 44	20,891 56
Purchase of Burns Property, Calgary, and erection of a hospital	30,650 00	30,611 78	38 22
Erection of a wing to the Veterans' Pavilion, University of Alberta Hospital	63,500 00	23,980 87	39,519 13
Replacing and enlarging steam mains—Ste. Anne's Hospital	17,000 00	16,042 40	957 60
Additional Accommodation—Provincial Sanatorium, Kentville, N.S.	10,000 00		10,000 00
Construction of a fireproof structure—Rockhead Hospital, Halifax	130 00	130 00	
Furnishing and Fixtures for Additional Hospital Accommodation	42,270 00	41,883 99	386 01
Reserve Stores—(Revolving Fund)	350,000 00	340,711 08	9,288 92
Total	<u>\$5,981,250 00</u>	<u>\$5,612,991 83</u>	<u>\$ 368,258 17</u>

<i>Allotment: Treatment and Pension Examinations—Members and Ex-</i>	
<i>Members Defence Forces (present war)</i>	2,700,000 00
<i>Expenditures</i>	2,695,586 13
<i>Lapsed</i>	\$ 4,413 87

A classification of this expenditure follows:

	Naval	Military	Air Force	Ex-Defence Forces	Total
Hospital Maintenance	253,323 29	1,342,573 76	39,315 46	359,225 85	1,994,438 36
X-Rays	27,925 75	174,081 82	30,898 60	3,227 50	236,133 67
Medical Fees	13,097 05	175,847 47	14,672 39	2,335 53	205,952 44
Dental Services	181 64	1,961 75	214 00	21,582 61	23,940 00
Nurses and Attendants	663 45	21,063 47	955 52	271 90	22,954 34
Medical Supplies	696 50	3,115 40	177 07	248 32	4,237 29
Orthopaedic Supplies	377 92	3,976 41	325 59	3,302 87	7,982 79
Transportation	278 30	6,188 20	475 46	3,792 89	10,734 85
Miscellaneous	41 65	752 86	4 73	380 26	1,179 50
Allowances to Patients in Hospitals				163,556 64	163,556 64
Pension Examinations				20,647 88	20,647 88
Funerals				3,828 37	3,828 37
	<u>\$296,585 55</u>	<u>\$1,729,561 14</u>	<u>\$87,038 82</u>	<u>\$582,400 62</u>	<u>\$2,695,586 13</u>

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH—*Con.*

<i>Allotment: Treatment R. C. M. Police</i>	96,000 00
<i>Expenditures</i>	94,048 06
<i>Lapsed</i>	\$ 1,951 94

A classification of this expenditure follows:

Dental Service	22,263 51
Examinations, Special Constables	2,399 48
Medical Fees and Drugs, Dependents	5,945 16
Medical Fees and Drugs, Force	25,947 06
Maintenance	35,111 19
Drugs for Prisoners	701 98
Orthopaedic Appliances	1,412 99
Transportation	266 69
	<u>\$ 94,048 06</u>

Comments

Of the expenditure under the two allotments above, the sum of \$1,519,085.15 is for services supplied through Departmental Institutions (hospital maintenance, clinics, pension examinations, etc.). The corresponding credit appears under Vote 210—Care of Patients.

Direct payments exceeding \$5,000 to hospitals were made as follows: Alexandra Hospital, Montreal, \$5,091.20; Brandon General Hospital, \$11,716.85; Brant Sanatorium, Brantford, \$7,322; Brantford General Hospital, \$5,689.21; Central Alberta Sanatorium, Calgary, \$8,440.02; City of Sydney Hospital, \$8,111.75; Enfant-Jesus Hospital, Quebec, \$15,477; Hamilton General Hospital, \$7,743.85; Hotel Dieu, St. Vallier, \$5,603.50; Hotel Dieu, Kingston, \$7,383.50; Jeffrey Hale Hospital, Quebec, \$31,679.16; Kingston General Hospital, \$28,940.25; Kitchener Isolation Hospital, \$5,591; McKellar General Hospital, Port Arthur, \$6,086.50; Montreal General Hospital, \$7,939.12; Montreal Neurological Hospital, \$7,088.23; Mountain Sanatorium, Hamilton, \$9,381.50; Normand and Cross Hospital, Three Rivers, \$7,161.75; Notre Dame Hospital, Montreal, \$14,782.70; Nova Scotia Sanatorium, Dartmouth, \$15,342; Nova Scotia Hospital, Kentville, \$6,455.85; Ottawa Civic Hospital, \$63,651.55; Port Arthur General Hospital, \$101,102.50; Prince Rupert General Hospital, \$5,411.95; Queen Alexandra Sanatorium, London, \$9,131; Regina General Hospital, \$30,138.25; Royal Jubilee Hospital, Victoria, \$30,700.95; Royal Victoria Hospital, Montreal, \$47,725.66; Roy Rousseau Clinic, Mastrai, P.Q., \$13,368.95; St. Boniface Sanatorium, \$6,849.86; St. Charles Hospital, St. Hyacinthe, \$5,005.55; Saint John General Hospital, \$20,532.30; Saint John Tuberculosis Hospital, \$9,203; St. Joseph's Hospital, Three Rivers, \$5,510.50; St. Joseph's Hospital, Victoria, \$14,754.20; St. Paul's Hospital, Saskatoon, \$5,245.50; St. Sacrement Hospital, Quebec, \$74,101; Saskatoon City Hospital, \$25,689.95; Savard Park Hospital, Quebec, \$6,941.80; Sherbrooke Hospital, \$7,130; University of Alberta Hospital, Edmonton, \$30,881.50; Vancouver General Hospital, \$11,412.70; Victoria Public Hospital, Fredericton, \$8,843.95; Winnipeg General Hospital, \$7,260.40; Winnipeg Municipal Hospital, \$39,787.

Direct payments exceeding \$1,000 for medical fees were made to the following doctors: J. A. M. Bell, \$1,061.50; S. Caron, \$2,072; J. L. Coltart, \$1,402; F. R. Connell, \$2,225; J. M. Crawford, \$1,297; G. A. Davidson, \$1,193.67; K. J. M. Dickie, \$1,663; E. D. Emery, \$2,303; H. S. Everett, \$1,122.50; L. E. German, \$1,053.50; N. P. Grant, \$1,552.50; W. N. Hardman, \$1,067.60; P. E. Laflamme, \$2,059.75; J. Lamoureux, \$1,435; P. C. Laporte, \$1,232; G. B. Loomis, \$2,359.50; J. A. MacPhee, \$1,331.50; C. C. McCullough, \$2,477.47; J. McKee, \$1,222.75; L. R. Meech, \$1,130.75; J. Moriarity, \$1,395; J. R. Naden, \$1,015; L. A. C. Panton, \$1,676; R. Roy, \$1,507; P. D. Spohn, \$1,326; J. A. Stewart, \$2,824.71; N. W. Strong, \$1,897.48; E. A. Tomkins, \$1,459; R. Turcot, \$1,092.50; C. R. Webber, \$1,057.50.

<i>Allotment: Pensions—Defence Forces, Fishermen and Seamen</i>	895,000 00
<i>Expenditures</i>	886,276 43
<i>Lapsed</i>	\$ 8,723 57

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH—*Con.*

Comments

A break-down of this expenditure by various classes, with the numbers of pensions in payment at March 31, 1942, shown in brackets, follows:—

Disabled and deceased ex-members of the Army, Navy and Air Force....(1,997)	807,128 89
Reserve Force	(19) 4,698 65
Supplementary—British	(22) 3,318 90
Air Training Plan	(114) 37,797 45
Seamen	(64) 30,764 38
Auxiliary Force	(1) 1,137 03
Civilian Employees	(3) 1,431 13
	<u>\$ 886,276 43</u>

<i>Allotment: Air Raid Precautions</i>	700,000 00
<i>Expenditures</i>	618,560 51
<i>Lapsed</i>	<u>\$ 81,439 49</u>

Comments

This expenditure is made up as follows: Salaries, \$2,664.91; Travel, \$3,104.77; Printing and Advertising, \$15,592.23; Freight, Express and Cartage, \$9,352.14; Telephones and Telegrams, \$951.63; Fire Fighting Equipment, \$392,947.35; Clothing, Boots, Helmets, etc., \$134,469.47; Sirens, \$32,699.03; First Aid Equipment and Drugs, \$13,532.60; Miscellaneous, \$13,246.38.

As of March 31, 1942, there were 5 employees paid from this allotment. The following was receiving an annual salary of \$2,400 or over on that date: Hon. R. J. Manion, Director, Civil Air Raids Precautions, \$8,000.

Travelling expenses in excess of \$300 (excluding transportation purchased by warrants) were paid as follows: W. O. Gliddon, \$805.91; E. H. Minns, \$970.15.

Payments of \$5,000 or over were made to the following: Bickle-Seagrave Ltd., \$117,542.40; Bi-lateral Fire Hose Company of Canada, \$60,975.29; Burlec Ltd., \$19,435.12; Department of National Defence (Helmets), \$32,047.96; Department of Pensions and National Health (Drugs), \$7,197.93; Dominion Rubber Co. Ltd., \$31,663.40; Dominion Textile Co. Ltd., \$33,267.26; Dorothea Hats Ltd., \$5,723.30; Dunlop Ltd., \$33,746.50; General Steel Wares Ltd., \$25,612.95; Goodyear Tire & Rubber Co. Ltd., \$89,103.71; King's Printer, \$12,205.90; Charles Niedner's Sons, \$12,181.02; Northern Electric Co. Ltd., \$8,838.92; Poole Co., \$27,436.76 (Payments by Poole Company for purchases of material from the Department amounted to \$18,574.56); Province of Ontario, \$9,317.24; Stewart-Warner-Alemite Corporation Ltd., \$5,394.66; Union Overall Mfg. Co., \$8,053.59; Viceroy Manufacturing Co. Ltd., \$8,690.03; Watson Jack & Co. Ltd., \$35,400.16.

<i>Allotment: Investigations—Dependents' Allowance Board</i>	26,000 00
<i>Expenditures</i>	25,120 12
<i>Lapsed</i>	<u>\$ 879 88</u>

Comments

Travelling expenses over \$300 were paid as follows: R. Charles, \$566.66; P. Choquette, \$2,634.21; P. D. Crosby, \$492.77; K. M. Garrett, \$514.85; A. Gibbons, \$311.31; H. W. Heans, \$392.98; S. R. E. Jolley, \$663.09; M. G. Killorn, \$394.84; J. A. Lefebvre, \$496.59; P. A. Mondou, \$573.46; F. Morrison, \$332.28; S. T. Muddeman, \$323.35; W. H. Murray, \$608.63; G. Porter, \$619.19; J. Richard, \$452.05; P. M. Smith, \$1,034.05; H. M. Suckling, \$547.95; G. Toms, \$684.97; J. C. Tuthill, \$309.35; J. G. Vallerand, \$667.63.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH—*Con.*

<i>Allotment: Inspection of Industrial Plants</i>	17,000 00
<i>Expenditures</i>	14,146 57
<i>Lapsed</i>	\$ 2,853 43

Comments

This expenditure is made up as follows: Salaries, \$6,359.50; Travelling Expenses, \$3,279.81; Printing and Stationery, \$2,074.42; Miscellaneous, \$2,432.84.

As of March 31, 1942, there were 6 employees paid from this allotment. The following was receiving an annual salary of \$2,400 or over on that date, or at date of separation (shown in brackets): W. E. Nichol, \$2,700 (Dec. 31).

Travelling expenses in excess of \$300 were paid as follows: C. F. Blackler, \$693.99; Kingsley Kay, \$1,082.91.

<i>Allotment: Treatment of Canadian Fishermen and Seamen</i>	1,500 00
<i>Expenditures</i>	560 50
<i>Lapsed</i>	\$ 939 50

<i>Allotment: Laboratory of Hygiene—Bacteriological and Biological Assistance to Department of National Defence</i>	12,000 00
<i>Expenditures</i>	8,398 83
<i>Lapsed</i>	\$ 3,601 17

Comments

Expenditures consist of the following items: Salaries, \$2,185.35; materials and supplies, \$4,039.34; equipment, \$2,174.14.

As of March 31, 1942, there were 4 employees paid from this allotment, none of whom was receiving an annual salary of \$2,400 or over on that date.

<i>Allotment: Public Health Engineering—Inspection of Camps and Airports re Sanitation and Water Supply</i>	16,000 00
<i>Expenditures</i>	14,396 00
<i>Lapsed</i>	\$ 1,604 00

Comments

This expenditure consists of: Salaries, \$6,176.51; Travelling Expenses, \$7,588.24; Miscellaneous, \$631.25.

As of March 31, 1942, there were 5 employees paid from this allotment, none of whom was receiving an annual salary of \$2,400 or over on that date.

Travelling expenses exceeding \$300 were paid to: J. H. Baty, \$677.57; F. M. Brickenden, \$633.08; G. H. Edgecombe, \$1,199.38; W. R. Edmonds, \$987.95; W. G. McKay, \$728.08; J. R. Menzies, \$467.64; A. H. Perry, \$2,363.78.

<i>Allotment: Food and Drugs—Examination of Supplies for Department of National Defence</i>	4,000 00
<i>Expenditures</i>	2,611 00
<i>Lapsed</i>	\$ 1,389 00

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH—*Con.*

Comments

Departmental charges for analyzing 373 samples for Department of National Defence at \$7.00 per analysis.

<i>Allotment: Quarantine Service</i>	60,000 00
<i>Expenditures</i>	51,957 80
<i>Lapsed</i>	\$ 8,042 20

Comments

Consists of Salaries, \$37,636.71; Travelling Expenses, \$1,191.28; Hire of boat for doctors at Sydney Harbour, \$5,606.45 (paid to Ivan Fleet); Laboratory services provided by Department of Health, Province of Nova Scotia, \$1,200; Fuel, \$2,131.31; Miscellaneous, \$4,192.05.

As of March 31, 1942, there were 16 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: W. I. Bent, \$3,480; P. Cartier, \$3,540; P. Claveau, \$3,540; M. J. DeKoven, \$3,540; W. H. Frost, \$3,000; G. S. Harris, \$3,540; W. A. McDonald, \$3,540; M. F. McGavin, \$3,480; A. J. McIntyre, \$3,540; B. C. Sullivan, \$3,540.

<i>Allotment: Hire of Boat—Halifax Harbour</i>	14,400 00
<i>Expenditures</i>	\$ 14,400 00

Comments

These payments were made to Captain R. E. Welch, Halifax, for the hire of two boats, one at \$1,000 a month and one at \$200 a month, in connection with treatment services for personnel on vessels anchored in harbour.

<i>Allotment: Committee on Demobilization</i>	12,200 00
<i>Expenditures</i>	9,486 95
<i>Lapsed</i>	\$ 2,713 05

Comments

This expenditure consists of Salaries, \$7,168.24; Travelling Expenses, \$2,052.25; Miscellaneous, \$266.46.

As of March 31, 1942, there was 1 employee, R. England, paid from this allotment, his annual rate of salary being \$6,000.

<i>Allotment: Immigration Medical Inspection, Overseas Division—Evacuation from England</i>	3,000 00
<i>Expenditures</i>	2,579 27
<i>Lapsed</i>	\$ 420 73

Comments

Removal expenses of Dr. A. M. Savoie, Immigration Officer, from London, England, to Ottawa, Canada, \$2,554.72; other items, \$24.55.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH—*Con.*

<i>Allotment: Maintenance and Medical and Other Care of Incapacitated</i>		
<i>Non-resident Seamen, pending deportation</i>	10,000	00
<i>Expenditures</i>	9,913	93
<i>Lapsed</i>	\$	86 07

<i>Allotment: Processing, storage and distribution of Blood for Transfusion</i>		
<i>Expenditures</i>	125,000	00
	100,840	46
<i>Lapsed</i>	\$	24,159 54

Comments

Payments to Connaught Laboratories, University of Toronto, amounted to \$99,664.60, of which \$54,850.28 covered purchases and installation of equipment and \$44,814.32 was for maintenance charges. A payment of \$850.00 was made to the National Film Board, being partial cost of a film produced.

<i>Allotment: Committee on Reconstruction</i>		
<i>Expenditures</i>	9,500	00
	8,787	41
<i>Lapsed</i>	\$	712 59

Comments

This expenditure is made up as follows: Salaries, \$3,274.22; Travel, \$2,984.42; Printing and Stationery, \$888.28; Miscellaneous, \$1,640.49.

As of March 31, 1942, there were 2 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: J. E. McKay, \$3,420; L. C. Marsh, \$4,000.

Travelling expenses in excess of \$300 were paid to Dr. F. C. James, \$845.61.

<i>Allotment: Detention Allowances—Canadian Seamen</i>		
<i>Expenditures</i>	100,000	00
	52,971	31
<i>Lapsed</i>	\$	47,028 69

Comments

This expenditure covers compensation to dependents of seamen who have been captured and detained by the enemy—Authority Order-in-Council (P.C. 12/4209) dated June 12, 1941.

Audit Notes

The terms of P.C. 12/4209 direct that "compensation is to be in such sum as shall assure the continued receipt by or on behalf of the person during the period of his detention of the remuneration theretofore paid to or in respect of him by his employer." Remuneration is made up of pay, War Risk bonus, and cost of living bonus. The admissibility of the cost of living bonus is questionable because that factor disappeared upon capture.

Gross credits appearing on the books of the Department at the close of the year amounted to \$163,255.89 against which payments, as shown above, amounted to \$52,971.31, leaving individual book credits of \$110,284.58. It would be sounder accounting had a debit been entered against the allotment for this latter amount with the credit shown in an open account, this being the procedure in Army deferred pay accounts. Such procedure would show the complete position of the liability and would also provide future funds without further vote of Parliament from which to meet payments.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH—*Con.*

<i>Allotment: Post Discharge Re-Establishment—Payment of out-of-work</i>	
<i>benefits</i>	125,000 00
<i>Expenditures</i>	104,424 90
<i>Lapsed</i>	\$ 20,575 10

Comments

Payments for out-of-work benefits, educational grants, etc., to discharged members of the Forces are made under authority of Order-in-Council (P.C. 7633) dated October 1, 1941, and subsequent amendments.

<i>Allotment: Additional Accommodation—Departmental Hospitals</i>	117,800 00
<i>Expenditures</i>	102,974 14
<i>Lapsed</i>	\$ 14,825 86

Comments

Additions, alterations, etc., to Departmental hospitals to take care of increased patient strength occasioned by present war casualties. The expenditures were incurred as follows:—

A Quarantine Station—Saint John, N.B.	44,483 90
B Deer Lodge Hospital—Winnipeg	27,909 60
C Christie Street Hospital—Toronto	9,363 30
D Camp Hill Hospital—Halifax	8,471 55
E Ste. Anne's Hospital—Ste. Anne de Bellevue	6,387 30
F Westminster Hospital—London	5,858 49
G Lancaster Hospital—Saint John, N.B.	500 00
	\$ 102,974 14

A Includes payments to the Mooney Construction Company amounting to \$33,196, being the balance owing on a contract awarded in the previous fiscal year when \$9,220 was paid. This includes also payments to the Maritime Construction Company for the construction of bathing and disinfecting facilities. The contracts were let by the Public Works Department.

B Includes payments to the Winnipeg Supply & Fuel Company, \$23,459.24 for extras incurred re contract awarded by Public Works Department in the previous year, when \$130,630 was paid, for construction of pavilions, dining room, etc.; *vide* also allotment for "Improvements—Deer Lodge Hospital."

F Includes a payment of \$3,500 to Frontenac Construction Company, this amount being the balance owing on a contract of \$131,091.94 awarded in the year 1940-41.

G This is the balance owing on a contract of \$73,623 awarded in the previous year to the Stewart Construction Company.

<i>Allotment: Erection of an Extension to the Nurses' Residence, Westminster</i>	
<i>Hospital</i>	35,000 00
<i>Expenditures</i>	33,499 16
<i>Lapsed</i>	\$ 1,500 84

Comments

The Frontenac Construction Company was awarded the contract for this building amounting, with extras, to \$33,458.91. With the exception of \$50.00 payment has been made in full.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH—*Con.**Allotment: Erection of three Staff Houses and a Recreation Building—*

<i>Ste Anne's</i>	60,000 00
<i>Expenditures</i>	46,369 35
<i>Lapsed</i>	<u>\$ 13,630 65</u>

Comments

The contract for this construction, amounting to \$128,498.00, was awarded through the Public Works Department to the Concrete Construction, Limited. Payments have been made on account amounting to \$45,043.00.

<i>Allotment: Construction of a wing at Park Savard Hospital, Quebec</i>	60,200 00
<i>Expenditures</i>	42,923 45
<i>Lapsed</i>	<u>\$ 17,276 55</u>

Comments

The contract for this construction, amounting to \$130,920, was awarded through the Public Works Department to Frs. Jobin Limited. Payments have been made on account amounting to \$41,832.

<i>Allotment: Improvements—Deer Lodge Hospital</i>	15,000 00
<i>Expenditures</i>	13,502 85
<i>Lapsed</i>	<u>\$ 1,497 15</u>

Comments

Includes payments to Winnipeg Supply & Fuel Company, \$12,347.85, for contracting work.

<i>Allotment: Remodelling the district office building at Shaughnessy Hospital to provide an infectious unit of 50 beds</i>	23,100 00
<i>Expenditures</i>	19,784 20
<i>Lapsed</i>	<u>\$ 3,315 80</u>

Comments

A contract amounting to \$20,775.02 was awarded to John C. Dill through the Public Works Department. \$18,775.02 has been paid, \$2,000 being withheld for unfinished work.

<i>Allotment: Additions to Camp Hill Hospital, Halifax</i>	76,000 00
<i>Expenditures</i>	52,403 94
<i>Lapsed</i>	<u>\$ 23,596 06</u>

Comments

A contract for the construction of two pavilions at Camp Hill Hospital was awarded through the Public Works Department to the Fundy Construction Company, the amount involved being \$233,335. Payments to this firm amounted to \$51,491.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH—*Con.*

<i>Allotment: Alterations and additions to Lancaster Hospital, Saint John..</i>	<i>154,000 00</i>
<i>Expenditures</i>	<i>133,108 44</i>
<i>Lapsed</i>	<i>\$ 20,891 56</i>

Comments

A contract amounting to \$121,680 was awarded through the Public Works Department to R. A. Corbett and Company Limited for construction of an addition to Lancaster Hospital. Payments to this firm amounted to \$56,975.76. A further contract, amounting to \$70,969 with extras of \$3,805, was awarded to John Flood and Sons Limited for construction of a pavilion annex. This contract has been completed and payments made in full.

<i>Allotment: Purchase of Burns Property, Calgary, and erection of a hospital</i>	<i>30,650 00</i>
<i>Expenditures</i>	<i>30,611 78</i>
<i>Lapsed</i>	<i>\$ 38 22</i>

Comments

A payment of \$30,000 was made to the Patrick Burns Estate. An allotment of \$530,000 has been set up in the accounts for 1942-43 for construction of a hospital on this site.

<i>Allotment: Erection of a wing to the Veterans' Pavilion, University of Alberta Hospital</i>	<i>63,500 00</i>
<i>Expenditures</i>	<i>23,980 87</i>
<i>Lapsed</i>	<i>\$ 39,519 13</i>

Comments

The contract for this construction in the amount of \$87,036 was awarded through Public Works Department to Bennett & White of Edmonton, Limited. Payments made to this firm during the year amounted to \$17,788.95. Architect's fees amounted to \$2,175 and a payment of \$3,500 was made to the Board of Governors of the Hospital to cover the Department's share of the cost of increased heating facilities installed.

<i>Allotment: Replacing and enlarging steam mains—Ste. Anne's Hospital..</i>	<i>17,000 00</i>
<i>Expenditures</i>	<i>16,042 40</i>
<i>Lapsed</i>	<i>\$ 957 60</i>

Comments

Includes payments to Lytle Engineering Specialties Limited, \$15,972 for completed contract awarded through the Public Works Department.

<i>Allotment: Additional Accommodation, Provincial Sanatorium, Kentville, N.S.</i>	<i>10,000 00</i>
<i>Expenditures</i>	<i>Nil</i>
<i>Lapsed</i>	<i>\$ 10,000 00</i>

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH—*Conc.*

<i>Allotment: Construction of a fireproof structure—Rockhead Hospital,</i>	
<i>Halifax</i>	130 00
<i>Expenditures</i>	\$ 130 00

<i>Allotment: Furnishings and Fixtures for Additional Hospital Accommodation</i>	42,270 00
<i>Expenditures</i>	41,883 99
<i>Lapsed</i>	\$ 386 01

Comments

Payments of \$5,000 or over were made as follows: Simmons Ltd., Vancouver, \$12,508.65; Terminal Sheet Metal Works Limited, \$6,373.75.

<i>Allotment: Reserve Stores—(Revolving Fund)</i>	350,000 00
<i>Expenditures</i>	340,711 08
<i>Lapsed</i>	\$ 9,288 92

Comments

This expenditure represents a single cheque issued to the Receiver General which was credited to Vote No. 210—Care of Patients, to cover the purchase of hospital stores held in reserve. Details of expenditure appear, therefore, under Vote No. 210.

POST OFFICE DEPARTMENT

	Allotments	Expenditures	Lapsed
Postal Censorship	469,146 00	327,397 53	141,748 47
Army Postal Services:			
Base Post Office and Field Post Offices in			
Canada under the Canadian Postal Corps..	176,537 00	165,062 09	11,474 91
Total	\$ 645,683 00	\$ 492,459 62	\$ 153,223 38

<i>Allotment: Postal Censorship</i>	469,146 00
<i>Expenditures</i>	327,397 53
<i>Lapsed</i>	\$ 141,748 47

Expenditures were as follows:

A Salaries	422,875 20
B Living Allowances	4,296 00
C Travelling Expenses	1,799 83
D Printing and Stationery	22,200 02
E Equipment and Maintenance	350 00
F Telegrams and Telephones	490 02
G Sundries	386 46
	452,397 53
H Less: Amount received from Foreign Exchange Control Board	125,000 00
	\$ 327,397 53

POST OFFICE DEPARTMENT—*Conc.*

Comments

This allotment was provided to pay the salaries (including cost of living bonuses), and other expenses of employees engaged at Ottawa, and elsewhere, in examining mail matter for censorship purposes.

A As of March 31, 1942, there were 333 employees paid from this allotment. The following were the rates paid to persons receiving annual salaries of \$2,400 or over on that date or at date of separation (shown in brackets): H. A. Anrep, \$2,820; C. V. Brooke, \$2,520; C. A. Bunt, \$2,520, and a local allowance of \$480; G. A. Sauvé, \$2,520 (Dec. 31).

Under authority of Order in Council P.C. 91/8400, of October 29, 1941, employees of the operating service (outside service) engaged in manipulative duties, who were called upon to work overtime during the Christmas season 1941, were paid in cash for the time so worked, at the rate of 60 cents per hour, up to a maximum of 30 hours for any one employee. Payments in this regard amounted to \$626.40.

B The living allowances paid from this allotment were authorized by Order in Council P.C. 110/3368 of May 15, 1941, at the rate of \$3 per day to not more than twelve censorship employees engaged in key positions at Ottawa.

C Expenditures in excess of \$300 were incurred by one employee, F. E. Jolliffe, \$603.11.

D Supplied by the King's Printer, Ottawa. The expenditures include \$6,261.20 for office appliances, including typewriters, photostatic equipment, filing cabinets, etc.

<i>Allotment: Base Post Office and Field Post Offices in Canada under the</i>	
<i>Canadian Postal Corps</i>	176,537 00
<i>Expenditures</i>	165,062 09
<i>Lapsed</i>	\$ 11,474 91

Expenditures were as follows:

A Salaries	14,595 01
B Travelling Expenses	36 77
C Printing and Stationery	15,493 67
D Equipment and Maintenance	2,514 65
E Telegrams and Telephones	277 66
F Sundries	8 75
G Mail Bags for Overseas Mail	132,135 58
	\$ 165,062 09

Comments

This allotment was provided to pay the expenses of maintaining the Base Post Office and Field Post Offices in Canada under the Canadian Postal Corps.

A As of March 31, 1942, there were 8 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date.

C Supplied by the King's Printer, Ottawa. The expenditures include \$2,281.00 for office appliances.

G Payments of \$10,000 or over were made to the following: Canadian Bag Co. Ltd., Montreal, \$51,132.50; Richmond Tailors, Richmond Hill, Ontario, \$14,124.93; W. Robinson and Son Converters Ltd., Toronto, \$17,533.89; J. Spencer Turner Co. Ltd., Hamilton, \$20,636.90.

PRIVY COUNCIL OFFICE

	Allotments	Expenditures	Lapsed
Office of the Registrar of Orders in Council....	6,138 00	4,343 10	1,794 90
Total	<u>\$ 6,138 00</u>	<u>\$ 4,343 10</u>	<u>\$ 1,794 90</u>

Comments on Expenditures

As of March 31, 1942, there was one employee paid from this allotment at an annual salary of less than \$2,400.

Charges were as follows: Salaries, \$1,475.28; Printing and Stationery, \$2,867.82.

PUBLIC ARCHIVES

	Allotment	Expenditures	Lapsed
Compensation to former members of the Archives Staff at Paris for the loss of personal effects and household goods due to enemy occupation	2,600 00	2,600 00	
Total	<u>\$ 2,600 00</u>	<u>\$ 2,600 00</u>	

Comments on Expenditures

Payments were made to the following: R. Laroque, \$1,000; S. Routier, \$700; V. Beique, \$600, and M. Dugas, \$300.

DEPARTMENT OF PUBLIC WORKS

CHIEF ARCHITECT'S BRANCH

	Allotments	Expenditures	Lapsed
Armoury Accommodation for C.O.T.C. Units	65,000 00	61,268 60	3,731 40
Rock Island, Que.—Armoury	11,500 00	11,196 66	303 34
London, Ont.—Westminster Hospital	34,626 90	34,626 90	
Ottawa, Ont.—Annex to Daly Building	40,000 00	30,839 17	9,160 83
Ottawa, Ont.—Base Army Post Office	64,000 00	63,923 21	76 79
Ottawa, Ont.—Extension to Jackson Building (including purchase of land)	240,000 00	165,730 34	74,269 66
Ottawa, Ont.—Jackson Building—taxes	30,600 00	30,568 07	31 93
Ottawa, Ont.—Record Storage Building	19,700 00	19,691 90	8 10
Ottawa, Ont.—Temporary Building No. 3	15,000 00	13,244 73	1,755 27
Ottawa, Ont.—Temporary Building No. 4	309,000 00	307,233 30	1,766 70
Ottawa, Ont.—Temporary Building No. 5	490,800 00	470,592 99	20,207 01
Ottawa, Ont.—Temporary Building No. 6	255,000 00	243,673 16	11,326 84
Ottawa, Ont.—Temporary Building for Department of Pensions and National Health ..	4,500 00	4,031 00	469 00
Toronto, Ont.—City Delivery Building	12,000 00	9,558 10	2,441 90
Toronto, Ont.—Temporary Building for Department of Post Office	63,500 00	62,107 93	1,392 07
Vancouver, B.C.—Hospital	148,000 00	147,380 79	619 21
Furniture, etc., for new employees	865,000 00	784,291 55	80,708 45
Repairs, alterations, operations and maintenance of buildings	950,000 00	945,893 86	4,106 14
Rental of new premises	475,000 00	461,697 54	13,302 46

DEPARTMENT OF PUBLIC WORKS—*Con.*

CHIEF ENGINEER'S BRANCH	Allotments	Expenditures	Lapsed
Dartmouth, N.S.—Wharf improvements, etc. . .	220,000 00	201,927 97	18,072 03
Missaguash River, N.S.—Interprovincial Bridge	24,000 00	22,126 48	1,873 52
Shelburne, N.S.—Wharf repairs	65,000 00	47,715 89	17,284 11
Saint John (Courtenay Bay), N.B.—Dredging	150,000 00	130,509 79	19,490 21
Champlain Dry Dock—Dredging	100 00	77 36	22 64
Lorne Dry Dock—Additional operating cost....	2,000 00	1,569 22	430 78
Lorne Dry Dock—Repairs to Pier	15,500 00	15,479 67	20 33
Midland, Ont.—Dredging	10,300 00	10,168 06	131 94
Esquimalt, B.C.—Additional cost of operation..	17,000 00	12,912 21	4,087 79
Esquimalt, B.C. Dry Dock—Dredging at Derrick Landing Wharf	21,550 00		21,550 00
Esquimalt, B.C.—Dry Dock—Protection of Buildings	11,500 00	5,429 17	6,070 83
Esquimalt, B.C.—Dry Dock—South Landing Wharf—Dredging	3,000 00	2,887 50	112 50
Port Hardy, B.C.—Wharf Extension and Shed	8,294 45	8,259 10	35 35
Sidney, B.C.—Wharf improvements and repairs	7,000 00	5,720 12	1,279 88
TELEGRAPH BRANCH			
Communication Facilities—Port Alberni	23,500 00	23,473 70	26 30
To provide 24 hour service on the Pacific Coast	15,000 00	9,519 40	5,480 60
Contingencies	137,000 00	131,619 03	5,380 97
Total	<u>\$4,823,971 35</u>	<u>\$4,496,944 47</u>	<u>\$ 327,026 88</u>

CHIEF ARCHITECT'S BRANCH

<i>Allotment: Armoury Accommodation for C.O.T.C. Units</i>	<i>65,000 00</i>
<i>Expenditures</i>	<i>61,268 60</i>
<i>Lapsed</i>	<i>\$ 3,731 40</i>

Comments on Expenditures

The following allowances for Canadian Officers' Training Corps accommodation at Colleges and Universities were paid from this allotment:—

Nova Scotia: Antigonish, St. Francis Xavier College, \$503.44; Halifax, Dalhousie University, \$1,875; Nova Scotia Technical School, \$1,218.75; St. Mary's College, \$258.16; Wolfville, Acadia University, \$708.11.

Prince Edward Island: St. Dunstan's University, \$500.

New Brunswick: Bathurst, Sacred Heart University, \$203.48; Chatham, St. Thomas University, \$136.05; Fredericton, University of New Brunswick, \$1,875; St. Joseph, University, \$164.50; Sackville, Mount Allison University, \$912.50.

Quebec: Lennoxville, Bishop's College, \$312.50; Montreal, Jean de Brebeuf College, \$1,181.54; Loyola College, \$2,206.35; McGill University, \$5,205.33; Mont St. Louis Academy, \$1,777.20; University of Montreal, \$6,206.44; Quebec, Laval University, \$6,469.77.

Ontario: Guelph, Ontario Agricultural College, \$265; Hamilton, McMaster University, \$867.22; Kingston, Queen's University, \$3,556.23; London, University of Western Ontario, \$1,463.75; Ottawa, University, \$4,133.33; Toronto, Osgoode Hall Law School, \$915.39, University, \$9,473.02.

Manitoba: Winnipeg, University of Manitoba, \$225.

Saskatchewan: Saskatoon, University of Saskatchewan, \$2,409.04.

Alberta: Edmonton, University of Alberta, \$2,449.62.

British Columbia: Vancouver, University of British Columbia, \$3,796.88.

DEPARTMENT OF PUBLIC WORKS—*Con.*

<i>Allotment: Rock Island, Armoury</i>	11,500 00
<i>Expenditures</i>	11,196 66
<i>Lapsed</i>	\$ 303 34

Comments on Expenditures

Construction of an addition was completed during the year by A. Blondeau at a contract price of \$8,620 plus \$2,194 for installation of steam heating. Inspection amounted to \$382.66.

<i>Allotment: London, Ontario, Westminster Hospital</i>	34,626 90
<i>Expenditures</i>	34,626 90

Comments on Expenditures

Installation and supplying of a water tube boiler and mechanical stoker for the central heating plant was completed during the year by E. Leonard and Sons, Ltd., at a contract price of \$31,593. The sum of \$1,300 withheld from the Frontenac Construction Co. Ltd., has now been paid. The architects, Murray & Hennigar, have received \$1,579.65 for Leonard contract, \$65 for balance of Frontenac Construction Co. contract and \$89.25 travelling expenses.

<i>Allotment: Ottawa, Daly Building Annex, Construction</i>	40,000 00
<i>Expenditures</i>	30,839 17
<i>Lapsed</i>	\$ 9,160 83

Comments on Expenditures

Annex is under construction by A. I. Garvock at a contract price of \$70,900, of which \$30,369.60 has been paid on account. Advertising and inspection amounted to \$469.57.

<i>Allotment: Ottawa, Base Army Post Office</i>	64,000 00
<i>Expenditures</i>	63,923 21
<i>Lapsed</i>	\$ 76 79

Comments on Expenditures

This building, situated on Nicholas St. was acquired from the Dominion Warehousing Co., Ltd., in 1940-41 for \$100,000. An additional amount of \$2,662.41 on account of taxes, etc., has now been paid. By authority of P.C. 111 of Jan. 10, 1941, Mortimer Ltd. were paid \$18,000 compensation for business disturbance. Alterations have been completed by A. I. Garvock at a contract price of \$33,243 plus \$8,320.22 for extra work. Valuating and legal fees amounted to \$692.98 while inspection cost \$737.49.

<i>Allotment: Ottawa, Extension to Jackson Building, including Purchase of Land</i>	240,000 00
<i>Expenditures</i>	165,730 34
<i>Lapsed</i>	\$ 74,269 66

Comments on Expenditures

Site for extension was purchased from C. F. and A. N. Scott at a price of \$12,559.54. Ross-Meagher, Ltd., are constructing addition at a contract price of \$327,472 and \$149,328.90 has been paid on account. The sum of \$3,359.90 has been paid to date to J. A. Ewart, on account of architect's fees and taxes amounted to \$259.43.

DEPARTMENT OF PUBLIC WORKS—*Con.*

<i>Allotment: Ottawa, Jackson Building, Taxes</i>	30,600 00
<i>Expenditures</i>	30,568 07
<i>Lapsed</i>	\$ 31 93

Comments on Expenditures

By authority of P.C. 4901 of Sept. 17, 1940, payment of \$30,502.39 was made for 1941 taxes. Commuted payments for local improvements were \$65.68.

<i>Allotment: Ottawa, Record Storage Building</i>	19,700 00
<i>Expenditures</i>	19,691 90
<i>Lapsed</i>	\$ 8 10

Comments on Expenditures

Doran Construction Co. were paid \$8,426 for altering and erecting partitions. Cartage of records amounted to \$3,689, dismantling steel shelving cost \$1,695.95, telephone cables and wiring amounted to \$1,954.32, alterations to elevators cost \$2,641 and sundry alterations amounted to \$1,285.63.

<i>Allotment: Ottawa, Temporary Building No. 3</i>	15,000 00
<i>Expenditures</i>	13,244 73
<i>Lapsed</i>	\$ 1,755 27

Comments on Expenditures

The sum of \$6,000 withheld from H. Dagenais in 1940-41 has now been paid, plus \$748.01 for excise tax on electric fixtures. The Federal District Commission was paid \$6,496.72 for grading and sodding grounds and constructing temporary roadways and sidewalks.

<i>Allotment: Ottawa, Temporary Building No. 4</i>	309,000 00
<i>Expenditures</i>	307,233 30
<i>Lapsed</i>	\$ 1,766 70

Comments on Expenditures

Construction was completed during the year by A. I. Garvoek at a contract price of \$292,000, with extras of \$14,818.56 and deductions of \$7,950 for fire detector system and telephone wiring. Tenders for excavating were invited from nine contracting firms in Ottawa and Hull and work was done by Mahoney & Rich. By authority of P.C. 9245 of Nov. 27, 1941, this firm was paid \$5,068.40 for excavation for building and \$191.60 additional for excavating tunnel and area way. Wiring and cables for telephones cost \$1,735.31, window shades cost \$731.82 and inspection and advertising amounted to \$637.61.

<i>Allotment: Ottawa, Temporary Building No. 5</i>	490,800 00
<i>Expenditures</i>	470,592 99
<i>Lapsed</i>	\$ 20,207 01

Comments on Expenditures

This building, situated at the corner of Preston Street and Carling Avenue, was constructed during the year by the Pigott Construction Co., Ltd., at a contract price of \$439,300 with extras of \$38,288.02 and deductions of \$8,699.89 (\$5,000 withheld for unfinished

DEPARTMENT OF PUBLIC WORKS—*Con.*

work). Cafeteria equipment amounted to \$4,105.15, window shades cost \$930.76 and telephone wire and cable amounted to \$719.85. Inspection cost \$812.14 and advertising amounted to \$136.96.

<i>Allotment: Ottawa, Temporary Building No. 6</i>	255,000 00
<i>Expenditures</i>	243,673 16
<i>Lapsed</i>	<u>\$ 11,326 84</u>

Comments on Expenditures

This building is under construction on Sussex Street by the Pigott Construction Co., Ltd., at a contract price of \$328,000 of which \$242,996.67 has been paid on account. Inspection cost \$525 and advertising amounted to \$151.49.

<i>Allotment: Ottawa, Temporary Building for Department of Pensions and National Health</i>	4,500 00
<i>Expenditures</i>	4,031 00
<i>Lapsed</i>	<u>\$ 469 00</u>

Comments on Expenditures

This building for small animals was constructed at the corner of Sussex and John Streets at a cost of \$3,906. Plumbing cost \$125.

<i>Allotment: Toronto, City Delivery Building</i>	12,000 00
<i>Expenditures</i>	9,558 10
<i>Lapsed</i>	<u>\$ 2,441 90</u>

Comments on Expenditures

This building was completed for military purposes last year and expenditures were charged to Vote 342. An amount of \$10,000 withheld from contractors, Redfern Construction Co., Ltd., has been reduced by \$2,155.24 for certain omissions, and the sum of \$7,844.76 has now been paid. In addition, the contractors were paid \$213.84 for fan guards, etc. Architect C. B. Dolphin has been paid a final payment of \$1,283.50 (\$1,383.50 retained in 1940-41 less reduction of \$100 for deductions in contract). Insulation cost \$216.

<i>Allotment: Toronto, Temporary Building for Post Office Department</i>	63,500 00
<i>Expenditures</i>	62,107 93
<i>Lapsed</i>	<u>\$ 1,392 07</u>

Comments on Expenditures

This building, situated at the corner of York and Fleet streets, was completed during the year by H. A. Wickett Co., Ltd., at a contract price of \$53,610 and \$8,307.72 for extras and changes. Incidental expenses amounted to \$190.21.

<i>Allotment: Vancouver Hospital</i>	148,000 00
<i>Expenditures</i>	147,380 79
<i>Lapsed</i>	<u>\$ 619 21</u>

DEPARTMENT OF PUBLIC WORKS—*Con.*

Comments on Expenditures

This building has been completed by Armstrong & Monteith Construction Co., Ltd., at a contract price of \$719,700 plus \$19,470.10 for extras and changes and \$910.77 additional for increase in sales tax. Of this amount \$598,940 had previously been paid. The architect, A. Mercier, has been paid \$36,958.50, of which \$32,965.80 had previously been received. Window shades cost \$1,783.22 and incidental expenses amounted to \$464.

<i>Allotment: Furniture, etc. for new employees</i>	865,000 00
<i>Expenditures</i>	784,291 55
<i>Lapsed</i>	\$ 80,708 45

Comments on Expenditures

Expenditures for Ottawa offices are noted under Vote 259\$ 579,844 53
 Expenditures for offices outside Ottawa are noted under Vote 260\$ 204,447 02

Furniture charged to War Expenditure from Sept., 1939 to Mar., 1942, amounted to \$1,636,569.85. Of this amount \$1,281,146.61 was paid for furniture used in Ottawa offices, which included 9,446 desks, 10,106 tables, 640 bookcases, 21,772 chairs, 155 rugs, 24,137 pieces of shelving, filing cabinets, cupboards, etc. The following Departments, Boards, etc., have received more than \$5,000: British Supply Board, \$18,766.20; Censorship (Co-ordination Committee), \$7,863.37; Civil Service Commission \$6,343.55; Comptroller of the Treasury, \$106,931.52; External Affairs, \$6,892.42; Mines and Resources, \$5,115.95; Munitions and Supply, \$235,713.39; National Defence, \$538,920.68; National Registration, \$6,629.25; National Research, \$21,027.18; National Revenue, \$23,868.47; National War Services, \$78,514.15; R.C.M.P., \$17,688.87; Secretary of State, \$6,148.77; Transport, \$7,621.86; United Kingdom Technical Mission, \$31,862.12; Wartime Prices and Trade Board, \$44,667.30.

<i>Allotment: Repairs, alterations, operation and maintenance of buildings</i>	950,000 00
<i>Expenditures</i>	945,893 86
<i>Lapsed</i>	\$ 4,106 14

Comments on Expenditures

Expenditure for works at Ottawa \$852,267.09 noted under Vote 259.

Expenditures for buildings outside of Ottawa \$93,526.77 noted under Votes 260, 263-269.

<i>Allotment: Rental of new premises</i>	475,000 00
<i>Expenditures</i>	461,697 54
<i>Lapsed</i>	\$ 13,302 46

Comments on Expenditures

Rents of Ottawa offices, \$218,725.07, shown under Vote 259.

Rents for offices outside of Ottawa, \$242,972.47, shown under Vote 260.

CHIEF ENGINEER'S BRANCH

<i>Allotment: Dartmouth, N.S., wharf improvements and dredging</i>	220,000 00
<i>Expenditures</i>	201,927 97
<i>Lapsed</i>	\$ 18,072 03

Comments on Expenditures

J. P. Porter and Sons Ltd., completed a contract for wharf improvements and dredging \$198,950.31; inspection, etc., was \$2,977.66.

DEPARTMENT OF PUBLIC WORKS—*Con.*

<i>Allotment: Missaguash River Interprovincial Bridge</i>	24,000 00
<i>Expenditures</i>	22,126 48
<i>Lapsed</i>	<u>\$ 1,873 52</u>

Comments on Expenditures

An agreement was entered into by the Federal Government and the Governments of the Provinces of Nova Scotia and New Brunswick whereby each assumed one-third of the cost of construction.

Greenlaw and Estey completed substructure of the bridge at a cost of \$25,914.10 and the Dominion Bridge Co., superstructure for \$33,825.09. Advertising and inspection cost \$1,783.37. The Provinces of Nova Scotia and New Brunswick have paid \$39,396.08. The Dominion Government's share was \$19,698.03, and in addition \$2,428.45 was paid in sales tax.

<i>Allotment: Shelburne wharf repairs</i>	65,000 00
<i>Expenditures</i>	47,715 89
<i>Lapsed</i>	<u>\$ 17,284 11</u>

Comments on Expenditures

B. Moher and M. D. Rawding were paid \$46,051.15 on account of contract for \$62,248.40, sundries cost \$1,664.74.

<i>Allotment: Saint John, N.B., Dredging in Courtenay Bay</i>	150,000 00
<i>Expenditures</i>	130,509 79
<i>Lapsed</i>	<u>\$ 19,490 21</u>

Comments on Expenditures

The Canadian Dredge and Dock Co. Ltd., were paid \$120,363.71 on account of contract for \$553,122; inspection, etc., cost \$10,146.08.

<i>Allotment: Champlain, Que., Dry Dock, Dredging</i>	100 00
<i>Expenditures</i>	77 36
<i>Lapsed</i>	<u>\$ 22 64</u>

<i>Allotment: Lorne Dry Dock, Maintenance and supplies</i>	2,000 00
<i>Expenditures</i>	1,569 22
<i>Lapsed</i>	<u>\$ 430 78</u>

<i>Allotment: Lorne Dry Dock, Repairs to Pier</i>	15,500 00
<i>Expenditures</i>	15,479 67
<i>Lapsed</i>	<u>\$ 20 33</u>

Comments on Expenditures

Salaries and wages amounted to \$7,376.17 and sundry materials \$8,103.50.

DEPARTMENT OF PUBLIC WORKS—*Con.*

<i>Allotment: Midland, Ont., Dredging</i>	10,300 00
<i>Expenditures</i>	10,168 06
<i>Lapsed</i>	\$ 131 94

Comments on Expenditures

The Canadian Dredge and Dock Co. Ltd., were paid \$10,006.91; sundries cost \$161.15.

<i>Allotment: Esquimalt, B.C. Graving Dock, Additional cost of operation</i> . . .	17,000 00
<i>Expenditures</i>	12,912 21
<i>Lapsed</i>	\$ 4,087 79

Comments on Expenditures

Salaries and wages were \$1,625.59; materials, etc., \$11,286.62.

<i>Allotment: Esquimalt, B.C. Dry Dock, Dredging at Derrick Landing Wharf</i>	21,550 00
<i>Expenditures</i>	Nil

<i>Allotment: Esquimalt Dry Dock, Protection of buildings</i>	11,500 00
<i>Expenditures</i>	5,429 17
<i>Lapsed</i>	\$ 6,070 83

Comments on Expenditures

Wages cost \$1,380.96; materials, etc., \$4,048.21.

<i>Allotment: Esquimalt Dry Dock, South Land wharf—Dredging</i>	3,000 00
<i>Expenditures</i>	2,887 50
<i>Lapsed</i>	\$ 112 50

Comments on Expenditures

McKenzie Barge and Derrick Co. Ltd. were paid \$2,887.50.

<i>Allotment: Port Hardy, wharf extension and shed</i>	8,294 45
<i>Expenditures</i>	8,259 10
<i>Lapsed</i>	\$ 35 35

Comments on Expenditures

Victoria Pile Driving Co. completed their contract for \$7,886.00; inspection, etc., cost \$373.10.

<i>Allotment: Sidney, wharf improvements and repairs</i>	7,000 00
<i>Expenditures</i>	5,720 12
<i>Lapsed</i>	\$ 1,279 88

DEPARTMENT OF PUBLIC WORKS—*Con.*

Comments on Expenditures

The Vancouver Pile Driving and Construction Co. Ltd. were paid \$5,601.06 on account of their contract for \$12,433; sundries cost \$119.06.

TELEGRAPH BRANCH

<i>Allotment: Communication Facilities, Port Alberni</i>	23,500 00
<i>Expenditures</i>	23,473 70
<i>Lapsed</i>	\$ 26 30

Comments on Expenditures

Wire and other telegraph material valued at \$14,226.70 was bought from the Northern Electric Co. A. T. O'Leary supplied cable for \$7,000. Freight and handling of the cable cost \$2,247.

<i>Allotment: To Provide 24-hr. Service on the Pacific Coast</i>	15,000 00
<i>Expenditures</i>	9,519 40
<i>Lapsed</i>	\$ 5,480 60

Comments on Expenditures

Operators and linemen of the Vancouver Island lines and the B.C. Northern & Yukon lines were paid \$9,372.80 for this extra service. Travelling expenses were \$146.60.

CONTINGENCIES

<i>Allotment: Contingencies, including telephones and incidentals</i>	137,000 00
<i>Expenditures</i>	131,619 03
<i>Lapsed</i>	\$ 5,380 97

Comments on Expenditures

Cost of additional telephone service for war staffs was \$111,185.05.

The following amounts withheld in 1940-41 for Ottawa buildings have now been paid: addition to Temporary Building No. 1, Ross-Meagher Co., \$1,000; Temporary Building No. 2, A. Janin & Co., \$50; Military Museum, Ross-Meagher, \$290 plus \$128 for fence.

Included also are the construction of additional wharfage at Halifax Dockyard by J. P. Porter & Sons for \$9,930, other minor harbour expenditures and \$1,119.90 for the Ottawa Cement Testing Laboratory.

ROYAL CANADIAN MOUNTED POLICE

	<u>Allotment</u>	<u>Expenditures</u>	<u>Lapsed</u>
Expenditures in connection with work, under			
Land Services, incidental to the War	3,209,074 93	3,001,370 18	207,704 75
Total	\$3,209,074 93	\$3,001,370 18	\$ 207,704 75

ROYAL CANADIAN MOUNTED POLICE—*Conc.*

<i>Allotment: Expenditures, in connection with work, under Land Services, incidental to the War</i>	3,209,074 93
<i>Expenditures</i>	3,001,370 18
<i>Lapsed</i>	\$ 207,704 75

Comments on Expenditures

The grant to the Royal Canadian Mounted Police was not further subdivided by the Treasury Board. It was considered in the nature of a further amount required to defray expenses similar to those in Vote 319. The expenditure of \$3,001,370.18 in 1941-42 is an increase of \$615,961.66 over that of \$2,385,408.52 chargeable to War in 1940-41. The departmental allotment classification of the War expenditure is as follows:

A Salaries	283,982 72
B Pay and Allowances	2,315,542 92
C Housing and Quarters	38,077 64
D Clothing and Equipment	47,373.40
F Travelling Expenses, including Investigations and Equipment	129,739 03
G Provisions and Billeting	12,960 16
H Mechanical Transport	96,626 47
J Printing and Stationery, Office Equipment and Communications	70,628 18
L Contingencies	452 43
N Security Control	5,987 23
	<u>\$3,001,370 18</u>

The above expenditures are referred to more in detail under Comments on Expenditures, Vote 319 in the Royal Canadian Mounted Police section of this Report.

- A As of March 31, 1942, there were 212 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date.
- N Order in Council P.C. 6441 dated August 20, 1941, authorizes the Commissioner of the Royal Canadian Mounted Police to appoint a commissioned officer of the Force to be known as the Security Control Officer for Halifax, and such other officers, clerks, etc., necessary for the purpose of supervising and co-ordinating all security control measures taken to protect the Port of Halifax. All expenses in this connection to be paid out of the War Appropriation. Of the total amount expended, \$4,705.59 was paid for constructing a wharf and inspection depot. Other expenses were fuel, light, telephone, furniture, repairs and travelling expenses.

DEPARTMENT OF SECRETARY OF STATE

SPECIAL WAR RECEIPTS

Refunds of previous year's war expenditures	\$ 1,090 60
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Certified correct.

E. H. COLEMAN,
Under Secretary of State.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

Comments on Revenues

F. Charpentier refunded \$1,006.80, advances outstanding at end of fiscal year 1940-41, charged to War Allotment—Press Censorship. The balance, \$83.80, is made up of refunds of salaries, paid from sundry War Allotments.

DEPARTMENT OF SECRETARY OF STATE—*Con.*

EXPENDITURES

	Allotments	Expenditures	Lapsed
Internment Operations	77,854 87	77,114 15	740 72
Press Censorship	81,904 71	80,515 70	1,389 01
War Measures Act—Department Generally ...	7,531 22	6,863 48	667 74
Commission re Revocation of Naturalization Certificates	703 16		703 16
Refugee Camps	25,022 42	21,016 11	4,006 31
Total	<u>\$ 193,016 38</u>	<u>\$ 185,509 44</u>	<u>\$ 7,506 94</u>

<i>Allotment: Internment Operations</i>	77,854 87
<i>Expenditures</i>	77,114 15
<i>Lapsed</i>	\$ 740 72

	Allotments authorized	Expenditures
A Salaries	37,082 84	37,005 98
B Officers' Pay and Allowances	7,819 82	7,819 82
C Printing and Stationery	6,035 40	6,035 40
D Travel, Transportation and Freight	750 00	744 04
E Telephones, Telegrams and Postage	500 00	452 34
F Maintenance of Male Prisoners of War	725 00	715 69
G Maintenance of Female Prisoners of War	5,950 00	5,800 95
H Prisoners of War Earnings	12,326 75	12,326 75
I Sundries	1,434 80	1,007 92
J Expenditure recoverable from United Kingdom	2,576 04	2,576 04
K Works Program	2,629 22	2,629 22
L Unforeseen Expenses	25 00	
	<u>\$ 77,854 87</u>	<u>\$ 77,114 15</u>

Comments on Expenditures

This allotment was provided for the expenses of the Internment Operations Directorate, which is responsible for the supervision and co-ordination of internment operations throughout Canada. The work is that of administration and the keeping of all records and information concerning enemy alien prisoners. The payment of prisoners of war, for labour performed for the state, is made through this Directorate.

A As of March 31, 1942, there were 22 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date, or at date of separation (shown in brackets): Col. H. Stethem, Director of Internment Operations, Dec. 8 to Mar. 31, \$6,000; Lt.-Col. H. N. Streight, Commissioner of Internment Operations, Dec. 1 to Dec. 7, \$6,000; L. M. Burke, \$2,400; Capt. R. L. McMillan, \$3,737 (Dec. 1) (See also under Refugee Camps); Lt.-Col. E. H. Minns, \$3,720 (Dec. 23. Transferred to Department of Pensions and National Health); Capt. V. E. K. Weldie, \$3,795.

B Lt.-Col. R. B. Berry, Lt.-Col. G. R. Bouchard (left Aug. 25), Major D. J. O'Donahoe, Capt. E. H. J. Barber, Capt. F. F. Cowling, Capt. D. D. Jamieson and Capt. A. F. Kemble were paid by the Department of National Defence, which has been reimbursed by the Department of Secretary of State. This allotment includes pay and allowances to January 31 and dependents' allowances and assigned pay to November 30, 1941; also balance owing for 1940-41, and \$100, outfit allowance for Capt. R. L. McMillan (see also Refugee Camps, Allotment B).

DEPARTMENT OF SECRETARY OF STATE—*Con.*

D J K Travelling expenses of \$300 or over were paid to the following: Capt. F. F. Cowling, \$576; Capt. R. L. McMillan, \$962.54; Major D. J. O'Donahoe, \$506.27 (includes \$240, outstanding 1940-41); Col. H. Stethem, \$600.40.

F This payment was made to the Sheriff of Montreal.

G This payment was made to the Kingston Penitentiary.

H Prisoners of war earnings were paid as follows: Fredericton, \$2,698.60; Hull, \$87.60; Kananaskis, \$3,872.85; Kingston (female) \$177; Petawawa, \$5,490.70.

Enemy aliens interned under the Defence of Canada Regulations, though not entitled to the special rights and privileges accorded to Prisoners of War as defined in Articles 1 and 81 of the International Convention Relative to the Treatment of Prisoners of War, have been accorded certain privileges under the authority of P.C. 4121 of December 13, 1939, as "Prisoners of War, Class 2" and are paid at the rate of 20 cents per day for such days as the prisoners are employed.

I Includes payment of \$678.53 for legal services.

Internment Camp Operations

Provision was made, under the authority of P.C. 2521 of September 4, 1939, for the establishment of stations or camps in which enemy aliens and prisoners of war might be interned. The financial transactions concerning the funds of internees are recorded in the following open accounts:—

Internment Camp Operations (Canadian)—

Balance on hand, Mar. 31, 1941	12,490 54
Money received	21,395 88
	<hr/>
	33,886 42
Less payments made	33,736 58
	<hr/>
Balance on hand, Mar. 31, 1942	\$ 149 84

United Kingdom Prisoners of War Trust Account—

Balance on hand, Mar. 31, 1941	30,388 89
Moneys received	372,835 07
	<hr/>
	403,223 96
Less payments made	400,482 92
	<hr/>
Balance on hand, Mar. 31, 1942	\$ 2,741 04

Allotment: Press Censorship	81,904 71
Expenditures	80,515 70
	<hr/>
Lapsed	\$ 1,389 01

	Allotments authorized	Expenditures
A Salaries	59,900 55	59,479 46
B Travelling Expenses	5,704 36	4,736 44
C Printing and Stationery	6,002 68	6,002 68
D Telephones and Telegrams, Postage and Sundries	10,297 12	10,297 12
	<hr/>	<hr/>
	\$ 81,904 71	\$ 80,515 70

DEPARTMENT OF SECRETARY OF STATE—*Con.*

Comments on Expenditures

- A** As of March 31, 1942, there were 30 employees paid from this allotment. The following, paid at daily rates, received over \$2,400: W. Baldwin, \$4,928; W. Eggleston, \$5,475; J. Girouard, \$4,928; L. Gordon, \$3,830; C. Grafton, \$3,650; H. B. Jefferson, \$4,136; E. McMahon, \$3,650; B. B. Perry, \$3,650; C. Reinke, \$4,198.
- B** Travelling expenses of \$300 or over were paid to the following: W. Baldwin, \$425.47; F. Charpentier, \$2,262.29; C. B. Harris, \$613.32; H. B. Jefferson, \$343.97; C. Reinke, \$555.
- D** Telephones and telegrams amounted to \$8,322.57; postage \$405.92 and newspapers, \$1,292.19.

Allotment: Department Generally under War Measures Act	7,531 22
Expenditures	6,863 48
Lapsed	\$ 667 74

	Allotments authorized	Expenditures
A Salaries	1,839 00	1,773 79
B Printing and Stationery	210 00	63 60
C Sundries	357 22	7 89
D Expenses incurred by Lieutenant-Governor of Nova Scotia..	4,000 00	4,000 00
E Expenses of visit of Duke of Kent	1,125 00	1,018 20
	\$ 7,531 22	\$ 6,863 48

Comments on Expenditures

- A** As of March 31, 1942, there were 4 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date.
- D** This payment is for extraordinary expenses incurred by the Lieutenant-Governor of Nova Scotia occasioned by the war (P.C. 2/8255 of October 24, 1941).
- E** Includes travelling expenses for E. H. Coleman, \$595.41, and W. G. Gunn, \$358.50.

Allotment: Commission re Revocation of Naturalization Certificates	703 16
Expenditures	Nil
Lapsed	\$ 703 16

Allotment: Refugee Camps	25,022 42
Expenditures	21,016 11
Lapsed	\$ 4,006 31

	Allotments authorized	Expenditures
A Salaries	9,397 04	7,823 87
B Officers' Pay and Allowances	10,700 38	10,700 38
C Printing and Stationery	1,550 00	943 58
D Travelling Expenses	1,450 00	634 85
E Sundries	800 00	245 03
F Works Program	1,125 00	668 40
	\$ 25,022 42	\$ 21,016 11

DEPARTMENT OF SECRETARY OF STATE—*Cont.*

Comments on Expenditures

P.C. 4568 of June 25, 1941, has authorized the classification, as Refugee Camps, of certain Internment Camps occupied by persons who have heretofore been classified as Prisoners of War, Class 2 (P.C. 4121 of December 13, 1939). These persons detained in the camps, determined to be Refugee Camps, and any other Prisoner of War, Class 2, who may be hereafter transferred to such Camps, are subject, while detained in such Refugee Camps, to special Regulations governing the welfare and treatment of Refugees as authorized by P.C. 5246 of July 15, 1941, and in effect from the 1st day July, 1941.

A As of March 31, 1942, there were 8 employees paid from this allotment. The following were receiving annual salaries of \$2,400 or over on that date: C. P. Halliday, \$2,400; Capt. R. L. McMillan, \$3,737.

B Lt.-Col. R. S. W. Fordham of the Canadian Active Army was appointed Commissioner of Refugee Camps, July 1, 1941, with pay and allowances of his rank in the Canadian Army (P.C. 81/5204 of July 16, 1941). The Department of Secretary of State has reimbursed the Department of National Defence for this expenditure, as well as the pay and allowances of officers listed under Internment Operations, (Allotment B). This allotment also includes \$50 for balance of outfit allowance for Capt. R. L. McMillan.

D F Travelling expenses were paid to the following: Lt.-Col. R. S. W. Fordham, \$324; Capt. F. F. Cowling, \$345; Capt. R. L. McMillan, \$235 and Major D. J. O'Donahoe, \$310.

Audit Note

A refund of \$192 has been received from Major O'Donahoe for overcharges on travelling expenses and credited to Revenue in 1942-43.

DEPARTMENT OF TRADE AND COMMERCE
AND NATIONAL RESEARCH COUNCIL

SPECIAL WAR RECEIPTS

National Research Council, sundry receipts\$ 215 55

Certified correct.

C. J. MacKENZIE,
Acting President.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

EXPENDITURES

	Allotments	Expenditures	Lapsed
Canadian Shipping Board, Administration	32,683 00	32,633 98	49 02
Export Permit Branch, Administration	45,663 00	45,438 86	224 14
Shipping Priorities Committee	2,916 00	1,663 43	1,252 57
National Research Council			
Special War Activities	246,382 00	243,106 23	3,275 77
New Annex Laboratories	430,000 00	303,662 34	126,337 66
Radio Direction Finding Program	527,559 00	523,522 62	4,036 38
Construction and Maintenance of an Explosives Testing Laboratory	72,500 00	54,778 06	17,721 94
Total	\$1,357,703 00	\$1,204,805 52	\$ 152,897 48

DEPARTMENT OF TRADE AND COMMERCE AND NATIONAL RESEARCH COUNCIL—*Con.*

<i>Allotment: Canadian Shipping Board</i>	32,683 00
<i>Expenditures</i>	32,633 98
<i>Lapsed</i>	\$ 49 02

Comments on Expenditures

The following staff, appointed by the Governor in Council at \$1.00 per annum, were paid for transportation and living expenses: A. L. W. MacCallum, director of shipping, \$3,929.86; F. T. Cuttle, \$760.14; J. H. Hamilton, \$47.50; A. L. Lawes, \$3,466.47; L. J. Pattington, \$786.66.

The secretary, B. A. Macdonald, received \$4,500 as salary and \$100.25 for travelling expenses. A. E. March received \$3,600 as salary. The balance of the expenditure follows: salaries of clerks, stenographers and typists, \$9,835.17; travelling expenses, \$86.59; printing and stationery, \$1,023.84; telegrams and telephones, \$4,270.23; sundries, \$227.27.

<i>Allotment: Export Permit Branch</i>	45,663 00
<i>Expenditures</i>	45,438 86
<i>Lapsed</i>	\$ 224 14

Purpose for which Allotment was Provided

The allotment was provided for the salaries of officers and staff and other expenses of the Export Permit Branch established by P.C. 2448, of April 8, 1941, under the War Measures Act.

Comments on Expenditures

Details for this expenditure are as follows: salaries, \$22,635.53; one employee was receiving \$2,400 or over, G. G. McLeod, \$2,880; transportation expenses of the chairman, J. M. Evans, appointed by P.C. 9270, November 27, 1941, at \$1.00 per annum, \$1,191.15; printing and stationery, \$12,229.57; telephones and telegrams, \$8,706.81; sundries, \$675.80.

<i>Allotment: Shipping Priorities Committee</i>	2,916 00
<i>Expenditures</i>	1,663 43
<i>Lapsed</i>	\$ 1,252 57

Comments on Expenditures

Under Order in Council P.C. 8487 dated October 31, 1941, a Shipping Priorities Committee was appointed for the purpose of ascertaining shipping cargo space requirements having regard to the necessities of the war effort, and the extent to which they can be met by use of ships of Canadian registry or of ships provided by United Kingdom Ministry of War Transport; also to present to competent authority of the government of the United States, requests for the allotment of cargo space on ships controlled by that country.

The expenses incurred by the Committee were as follows: salaries, \$528.50; travelling expenses of C. M. Croft, \$481.63; printing and stationery, \$649.59; sundries, \$3.71.

<i>Allotment: National Research Council—Special War Activities</i>	246,382 00
<i>Expenditures</i>	243,106 23
<i>Lapsed</i>	\$ 3,275 77

DEPARTMENT OF TRADE AND COMMERCE AND NATIONAL RESEARCH COUNCIL—*Con.*

Purpose for which Allotment was Provided

Expenditures incurred in undertaking scientific and development work related to Canada's war effort in the solution of problems submitted by Departments, Boards and Industry. In addition to this allotment, \$123,168.81, received as revenue for services rendered, was expended.

Comments on Expenditures

As at March 31, 1942, the following persons were receiving annual salaries of \$2,400 or over: E. G. Burr, \$4,200; R. O. King, \$2,400; K. J. Laidler, \$2,460; O. Maass, \$7,500; R. L. McIntosh, \$3,200; W. A. Morrison, \$2,460; G. de B. Robinson, \$2,820; A. G. Shenstone, \$4,200; A. S. Tweedie, \$2,460.

Travelling expense payments over \$300 were: L. E. Howlett, \$1,947.30; O. Maass, \$1,076.04; T. W. Mouat, \$380.44; J. L. Orr, \$1,333.25; A. G. Shenstone, \$738.50; O. Strachey, \$1,220.85.

Supplies in excess of \$5,000 were purchased from: Instruments Ltd., Ottawa, \$7,541.18; Photostat Corporation, Toronto, \$15,261.10.

<i>Allotment: National Research Council, New Annex Laboratories</i>	430,000 00
<i>Expenditures</i>	303,662 34
<i>Lapsed</i>	<u>\$ 126,337 66</u>

Comments on Expenditures

The details of the expenditure are shown with those of Vote 523, National Research Council, New Premises for Annex Laboratories, in the Department of Trade and Commerce section of this report.

<i>Allotment: National Research Council—Radio Direction Finding Program</i>	527,559 00
<i>Expenditures</i>	523,522 62
<i>Lapsed</i>	<u>\$ 4,036 38</u>

Purpose for which Allotment was Provided

Expenditure incurred in undertaking development works relative to radio direction finding activities. In addition to this allotment, \$1,000 received as revenue for services rendered was expended.

Comments on Expenditures

As at March 31, 1942, the following persons were receiving annual salaries of \$2,400 or over: A. McKellar, \$2,820; J. W. Bell, \$3,300; R. Campbell, \$2,460; R. E. Freeman, \$2,460; W. H. Happe, \$3,060; R. D. Harrison, \$2,820; W. J. Henderson, \$3,060; K. C. Mann, \$2,820; K. G. McKay, \$2,580; D. W. R. McKinley, \$2,820; G. R. Mounce, \$2,580; M. J. Neale, \$2,460; R. B. Nelson, \$3,300; H. E. Parsons, \$3,300; A. H. R. Smith, \$3,300; H. R. Smyth, \$3,180; G. A. Sutherland, \$2,460; D. L. West, \$3,300; A. K. Wickson, \$2,460; W. C. Wilkinson, \$2,460.

Travelling expense payments over \$300 were: J. W. Bell, \$454.64; J. E. Breeze, \$749.42; C. J. Bridgeland, \$304.50; H. Fogel, \$879.44; F. J. Heath, \$1,032.93; J. T. Henderson, \$717.93; J. E. Leduc, \$316.33; K. C. Mann, \$306.68; W. R. McKinley, \$319.86; K. A. MacKinnon, \$1,094.63; I. L. Newton, \$546.67; H. E. Parsons, \$633.64; C. F. Pattenson, \$460.83; R. S. Rettie, \$672.57; H. H. Rugg, \$707.23; F. H. Sanders, \$583.41; A. H. R. Smith, \$769.46; H. R. Smyth, \$662.46; E. B. Stevenson, \$974.32; A. K. Wickson, \$571.57; W. C. Wilkinson, \$489.57.

Purchases of equipment in excess of \$10,000 follow: Ajax Engineers Ltd., Toronto, radio equipment, \$18,238.25; Canadian General Electric Co. Ltd., Ottawa, electrical equipment and supplies, \$20,047.36; Canadian Marconi Co. Ltd., Montreal, radio equipment and supplies, \$11,309.20; Hammond Manufacturing Co. Ltd., Guelph, electrical and radio equipment and supplies, \$12,528.25; Northern Electric Co. Ltd., Ottawa, electrical and radio supplies and equipment, \$11,454.98; Truck Engineering Ltd., Woodstock, mobile trailers, \$13,219.20.

DEPARTMENT OF TRADE AND COMMERCE AND NATIONAL RESEARCH COUNCIL—*Conc.*

<i>Allotment: National Research Council—Explosive Testing Laboratory, construction and maintenance</i>	<i>72,500 00</i>
<i>Expenditures</i>	<i>54,778 06</i>
<i>Lapsed</i>	<i>\$ 17,721 94</i>

Comments on Expenditures

H. Dagenais, Ottawa, received \$52,126.47 on account, for the construction of the laboratory building (contract price \$63,100, extras, \$1,050.48).

DEPARTMENT OF TRANSPORT

SPECIAL WAR RECEIPTS

<i>Air Training Plan, sale of salvaged material, etc.</i>	<i>\$ 18,136 84</i>
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Certified correct.

C. P. EDWARDS,
Deputy Minister.

In accordance with the provisions of Section 45 (1) of the Consolidated Revenue and Audit Act, I have satisfied myself that the above revenues for 1941-42 have been fully accounted for.

WATSON SELLAR,
Auditor General.

EXPENDITURES

	<u>Allotments</u>	<u>Expenditures</u>	<u>Lapsed</u>
ADMINISTRATION			
Departmental Administration	5,600 00	5,502 23	97 77
Salaries and Expenses of the Transport Controller's Office	93,000 00	83,560 36	9,439 64
AIR SERVICE			
Special Radio Interception and Monitoring Services; Weather Observation and Teletype Services and Extra Airport Control Systems—			
Radio Division	425,799 00	393,409 59	32,389 41
Meteorological Division	237,665 00	211,373 38	26,291 52
Civil Aviation Division	163,304 00	134,676 96	28,627 04
To cover Expenditure in connection with:			
Yukon Southern Air Transport and Trans-Canada Air Lines	10,480 32	10,480 32	
CANALS SERVICE			
Welland Canals	350 00	91 15	258 85
Canals Generally	8,215 00	7,570 84	644 16
MARINE SERVICE			
Marine Service Steamers	94,350 00	93,549 86	800 14
Aids to Navigation	50,000 00	49,152 62	847 38
Nautical Services	24,860 00	22,480 13	2,379 87

DEPARTMENT OF TRANSPORT—*Con.*

Department	Allotments	Expenditures	Lapsed
Compensation to Masters and Crews of Canadian Vessels for loss of Personal Effects	30,000 00	21,649 01	8,350 99
Administration of Pilotage	12,800 00	7,114 18	5,685 82
Purchase and Repairs of M. V. <i>Francois</i>	29,000 00	28,846 07	153 93
To provide for salvaging, reconditioning and placing in commission, vessels captured from the enemy and handed over to the Canadian Government Merchant Marine, Limited, for operation on behalf of the Government of Canada	26,000 00	13,103 94	12,896 06
Office of Director of Merchant Seamen— Construction, equipment, operation and maintenance of Manning Pools and Welfare facilities for merchant seamen, and the extension of existing nautical schools	627,304 00	267,105 07	360,198 93
Cost of installation of degaussing equipment on all Canadian registered ships, as well as foreign flag vessels either seized in prize or requisitioned by the Canadian Government, that have been or may be fitted with this special defensive apparatus	200,000 00	171,012 65	28,987 35
To provide for supply of stores, fuel and insurance of C.G.S. <i>Montcalm</i>	125,000 00	95,643 03	29,356 97
To cover expenditure in connection with the port of Halifax	2,030,000 00	1,931,570 01	98,429 99
Dredging in St. Charles River, P.Q.	32,535 25	32,535 25	
Total	<u>\$4,226,262 57</u>	<u>\$3,580,426 65</u>	<u>\$ 645,835 92</u>

<i>Allotment: Departmental Administration</i>	5,600 00
<i>Expenditures</i>	5,502 23
<i>Lapsed</i>	\$ 97 77

Comments on Expenditures

As of March 31, 1942, there were 10 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date. The total expenditure was for salaries.

<i>Allotment: Salaries and expenses of the Transport Controller's Office</i>	93,000 00
<i>Expenditures</i>	83,560 36
<i>Lapsed</i>	\$ 9,439 64

Comments on Expenditures

Certain officers employed in the Transport Controller's Office are on loan from various companies. The companies pay their salaries and are reimbursed by the Government. The following payments to companies were made: Cunard White Star Ltd., Montreal, \$15,099.58; Canadian Transport Co., Vancouver, \$4,500; Canada Steamship Lines, Montreal, \$1,890; Canadian National Railways, \$8,632.63; Canadian Pacific Railway Co., \$4,210.68. The officers loaned by the companies include T. C. Lockwood, controller, at \$8,000; A. L. Palmer, assistant to the controller at \$6,000; Capt. G. E. Barton at \$25 per day; R. Broderick at \$2,700; B. S. Liberty at \$3,000; R. Metcalfe at \$3,600; H. B. Percival at \$3,480; W. M. Scott at \$2,940.

DEPARTMENT OF TRANSPORT—*Con.*

As of March 31, 1942, there were 2 employees paid directly by the department at the rate of \$2,400 or over, D. C. Connor, \$3,600 and E. F. E. Kirchner, \$2,600.

Travelling expenses over \$300 were: G. W. Detmold, \$2,313.68; T. C. Lockwood, \$1,290.58; H. B. Percival, \$350.60.

The Bell Telephone Co. was paid \$10,328.72 for telephone service.

<i>Allotment: Radio Services</i>	425,799 00
<i>Expenditures</i>	393,409 59
<i>Lapsed</i>	\$ 32,389 41

Comments on Expenditures

At March 31, 1942, or at date of separation, shown in brackets, the following radio electricians, inspectors and operators were receiving annual salaries of \$1,800 or over: W. J. Baker, \$1,920; E. L. Gosling, \$1,860; F. R. Hughes, \$2,340; E. W. Humphrey, \$1,980 (Oct. 1); J. H. Lane, \$1,860; T. W. Robson, \$1,860; J. P. Rogers, \$1,860; J. G. Sugden, \$1,920; G. P. Webb, \$1,860; A. G. W. Young, \$1,920.

Travelling expenses amounting to \$5,868.29 were as follows: W. J. Baker, \$102.14; John M. Boyle, \$935.25; J. A. R. Geddes, \$208.95; E. Ginn, \$372.17; W. T. Lanyon, \$197.02; J. O. Martin, \$187.88; W. B. Smith, \$203.08; J. V. B. Wilmshurst, \$242.81; sundry travel, \$3,418.99.

Payments over \$5,000: Canadian Bridge Co. Ltd., Walkerville, Ont., \$10,778.05; Canadian Marconi Co., receivers, transmitters, etc., \$30,224.78, operation of Glace Bay Station under contract, \$42,960.44; Canadian National Telegraphs, \$7,515.21; Patterson Construction Company, Ottawa, \$16,466.23; R. N. Southen, London, Ont., \$26,225.10; Standard Construction Company, Halifax, \$7,601.15.

<i>Allotment: Meteorological Services</i>	237,665 00
<i>Expenditures</i>	211,373 38
<i>Lapsed</i>	\$ 26,291 62

Comments on Expenditures

The amount paid for salaries from this allotment was \$136,025.96; at March 31, 1942, the employees included meteorologists, meteorological assistants, special typists, clerks, stenographers. Employees receiving annual salaries over \$2,400 at that date were: H. H. Bindon, \$2,880; P. D. McTaggart-Cowan, \$3,240; D. H. Smith, \$2,700.

Travelling expenses of \$300 or over were: D. C. Archibald, \$362.34; J. H. Kirk, \$1,023.96; D. E. McClellan, \$373.93; P. D. McTaggart-Cowan, \$938.39.

Payments of \$5,000 or over were: Canadian National Telegraphs, teletype service, telegrams, \$16,384.68; Department of Natural Resources, Newfoundland, salaries of meteorological assistants gr. 1, \$15,137.88.

<i>Allotment: Civil Aviation, Extra Airport Control Systems</i>	163,304 00
<i>Expenditures</i>	134,676 96
<i>Lapsed</i>	\$ 28,627 04

Comments on Expenditures

The amount paid for salaries under the allotment was \$88,975.65. At March 31, 1942, the employees, airport traffic control officers, were paid at the rate of \$1,320 or \$1,920 per annum.

Payments of \$5,000 or over were: Northern Electric Co. Ltd., electrical supplies, \$5,064.59; RCA Victor Co. Ltd., Montreal, radio-range and traffic control equipment, \$16,805.65.

AUDITOR GENERAL'S REPORT

DEPARTMENT OF TRANSPORT—*Con.*

<i>Allotment: Provision for expenditure in connection with Yukon Southern</i>	
<i>Air Transport and Trans-Canada Air Lines</i>	10,480 32
<i>Expenditures</i>	\$ 10,480 32

Comments on Expenditures

Expenditure in connection with the exchange of 2 aircraft involving United States Government, Trans-Canada Air Lines and Yukon Southern Air Transport Ltd. (P.C. 44/8817 dated November 11, 1941).

<i>Allotment: Welland Canals—for more efficient application of certain</i>	
<i>surplus water in the production of electrical energy.....</i>	350 00
<i>Expenditures</i>	91 15
<i>Lapsed</i>	\$ 258 85

Comments on Expenditures

The expenditures were for travelling expenses of J. H. Ramsay.

<i>Allotment: Canals Generally</i>	8,215 00
<i>Expenditures</i>	7,570 84
<i>Lapsed</i>	\$ 644 16

Comments on Expenditures

The details of the expenditures follow: salaries, \$2,681.01; materials and supplies, \$4,226.61; sundries, \$663.22.

<i>Allotment: Marine Service Steamers</i>	94,350 00
<i>Expenditures</i>	93,549 86
<i>Lapsed</i>	\$ 800 14

Comments on Expenditures

The expenditures included: temporary salaries, \$26,968.75; fuel, \$27,844.75; deck and hull repairs, \$22,300.14.

A summary of expenditure by steamers follows: *Albarni*, \$3,454.06; *Belle Chasse*, \$1,056.82; *Birnie*, \$404.82; *Brant*, \$8,742.83; *Dollard*, \$151.33; *Grenville*, \$2,331.13; *Jalobert*, \$5,396.26; *Lady Grey*, \$69,223.33; *Lady Laurier*, \$1,962.03; *Lanoraie*, \$80; *Montcalm*, \$17; *N. B. McLean*, \$169.07; *Safeguarder*, \$221.45; *St. Heliers*, \$333.52; General Account, \$6.21.

<i>Allotment: Aids to Navigation</i>	50,000 00
<i>Expenditures</i>	49,152 62
<i>Lapsed</i>	\$ 847 38

Comments on Expenditures

A payment of \$5,000 was made to Marine Industries, Ltd., Sorel, for the removal of derelict S.S. *Chicoutimi* from Sorel Harbour, Quebec. Other expenditures were: salaries and allowances, \$19,926.67; materials, supplies, equipment and repairs, \$22,589.38; sundries, \$1,636.57.

DEPARTMENT OF TRANSPORT—*Con.*

<i>Allotment: Nautical Services—additional temporary staff and expenses . . .</i>	<i>24,860 00</i>
<i>Expenditures</i>	<i>22,480 13</i>
<i>Lapsed</i>	<i>\$ 2,379 87</i>

Comments on Expenditures

The expenditures consisted of the following: salaries, \$14,423.19; travelling expenses, J. W. Kerr, \$436.28; G. A. Saunders, \$745.09; sundry travel, \$63.79; sundry expenses, \$6,811.78. As of March 31, 1942, there were 12 employees paid from this allotment. No employee was receiving an annual salary of \$2,400 or over on that date.

<i>Allotment: Compensation to masters and crews of Canadian vessels for loss of personal effects</i>	<i>30,000 00</i>
<i>Expenditures</i>	<i>21,649 01</i>
<i>Lapsed</i>	<i>\$ 8,350 99</i>

Comments on Expenditures

Payments over \$100 were made as follows: W. A. Burton, \$170; Canadian Government Merchant Marine, Limited, for S. A. Olsen and P. E. Petersen, \$288.74; H. Caseley, \$300; K. V. Christensen, \$300; R. C. Clayton, \$190.50; J. R. Cormier, \$300; J. Currie, \$140; V. L. Dahl, \$500; W. F. Dods, \$300; E. J. Fox, \$250; S. Gooch, \$500; W. H. Gorrie, \$250; O. N. Guldbrandsen, \$300; H. F. Hallifax, \$600; H. J. Harris, \$250; L. E. Holman, \$150; R. M. Hunston, \$221; G. T. Hynes, \$150; T. K. Jacobsen, \$263; P. O. Jensen, \$250; A. H. Jepsen, \$300; J. N. Justesen, \$150; P. A. Kelly, \$300; H. L. Kongsmark, \$300; W. H. Lloyd, \$202; D. F. Lockwood, \$300; W. MacPhail, \$300; E. G. Madge, \$250; A. Marslew, \$300; J. McIvor, \$300; G. E. Mordhorst, \$300; A. Nicolaisen, \$250; E. L. Nielsen, \$150; F. W. Nielsen, \$300; K. K. Nielsen, \$150; D. Nolan, \$500; W. H. Osman, \$150; H. Paulsen, \$250; V. L. Petersen, \$300; J. D. Pottie, \$300; S. A. Pultz, \$300; E. Reilly, \$150; G. H. Rowe, \$300; N. Rowe, \$300; J. M. Rozee, \$250; P. H. St. Pierre, \$250; W. J. Seymour, \$170; E. Shackleton, \$170; F. M. Shaw, \$300; J. C. Simpson, \$250; C. W. Smyllie, \$250; E. M. Sorensen, \$250; R. Steven, \$300; J. Taylor, \$300; E. A. Thogersen, \$150; R. E. Trevis, \$111; K. E. Vind, \$300; J. W. Woodward, \$500; T. Young, \$150.

<i>Allotment: Administration of Pilotage</i>	<i>12,800 00</i>
<i>Expenditures</i>	<i>7,114 18</i>
<i>Lapsed</i>	<i>\$ 5,685 82</i>

Comments on Expenditures

Wages of master and crew of C.G.S. *Citadelle* for January and February, \$3,581.17; supplies and small repairs, \$3,533.01.

<i>Allotment: Purchase and Repairs of motor vessel "Francois"</i>	<i>29,000 00</i>
<i>Expenditures</i>	<i>28,846 07</i>
<i>Lapsed</i>	<i>\$ 153 93</i>

Comments on Expenditures

Purchase of motor vessel *Francois* from La Cie De La Traverse Du St. Laurent Enarg., Sorel, \$27,000; sundry repairs, \$1,846.07.

DEPARTMENT OF TRANSPORT—*Con.*

<i>Allotment: Salvaging, reconditioning and placing in commission, vessels captured from the enemy and handed over to the Canadian Government Merchant Marine Limited for operation on behalf of the Government of Canada</i>		26,000 00
<i>Expenditures</i>		13,103 94
<i>Lapsed</i>		\$ 12,896 06

Comments on Expenditures

Canadian Government Merchant Marine Limited, expenditures incurred in repairing and reconditioning steamers: the former *S.S. Weser*, renamed *S.S. Vancouver Island*, \$5,537.56 (Paid in 1940-41, \$175,365.38); the former *S.S. Capo Noli*, renamed *S.S. Bic Island*, \$7,566.38 (Paid in 1940-41, \$275,000).

<i>Allotment: Office of the Director of Merchant Seamen</i>		627,304 00
<i>Expenditures</i>		267,105 07
<i>Lapsed</i>		\$ 360,198 93

Comments on Expenditures

Under the War Measures Act, Order-in-Council P.C. 14/3550 authorized the establishment of manning pools to provide adequate accommodation on shore in Canadian Ports for merchant seamen, where they would receive board, lodging and pay provided they, in return, agreed to serve on any ship of their own nationality or on any ship to which they might be assigned. Expenses for accommodation and services on behalf of other than Canadian merchant seamen to be a charge against their respective governments. Authority was also given for the extension of existing nautical schools for the training of officers and men for the merchant navy. Provision was made for the appointment of a Director of Merchant Seamen to be charged with the administration and operation of manning pools, together with such regional directors and staff as required. Depots were established at Halifax, Montreal, Vancouver and Victoria. Expenditures include:—

Salaries: As of March 31, 1942, the following employees were receiving annual salaries of \$2,400 or over: A. Randles, director of merchant seamen, \$4,350 (one-half salary paid by Cunard White Star, Ltd.); E. H. Cameron, \$5,000; R. S. Hubert, \$3,120; G. L. C. Johnson, \$3,600; H. Lazarus, \$3,744; J. MacCourt, \$3,120; J. S. Rigby, \$3,120; J. W. Sutherland, \$3,600; W. F. Taylor, \$3,120; T. P. Wilson, \$3,600.

Travelling expenses of \$300 or over: E. H. Cameron, \$1,021.36; J. L. Dunn, \$454.35; A. Randles, \$3,254.04; J. S. Rigby, \$391.34; W. C. Surtees, \$300.90; J. W. Sutherland, \$615.57; H. Ward, \$312.05; J. P. Wilson, \$381.30.

Accounts of \$5,000 or over: Canada Packers, Ltd., provisions, \$8,775.56; Canadian National Railways, transportation of men, \$19,952.35, sundries, \$9.97; Canadian Pacific Railway: expenses in connection with the Place Viger Hotel, Montreal, now used as a manning pool, rent, 3m. \$5,975, steam and gas supplied, \$3,568.07, sundry servicing, \$7,092.27; transportation of men, \$5,671.01; sundries, \$16.17.

Other expenditures: purchase of property, Dunsmuir Hotel, Vancouver, \$117,500; Gainsborough Hotel, Hubbard, \$15,250; pay of staff at manning pools, \$24,045.09; pay of seamen, \$22,616.13; board and lodging of seamen, etc., \$22,058.56; expenses in connection with transportation of Chinese sailors from Victoria to Halifax and New York, not including railway fares, \$7,850.71.

The recoverable expenditure amounted to \$148,869.14 of which \$105,116.87 has been recovered, leaving a balance of \$43,752.27 outstanding. The recovered amount has been deducted from the gross expenditure, leaving the net amount of \$267,105.07 charged to the allotment.

DEPARTMENT OF TRANSPORT—*Conc.*

<i>Allotment: Installation of degaussing equipment on ships of Canadian registry and foreign flag vessels either seized in prize or requisitioned by the Canadian Government that have been or may be fitted with this special defensive apparatus ..</i>		<i>200,000 00</i>
<i>Expenditures</i>		<i>171,012 65</i>
<i>Lapsed</i>	<i>\$</i>	<i>28,987 35</i>

Comments on Expenditures

Payments were made as follows: Atlantic Transportation Co., Ltd., Montreal, \$38,815.65; Imperial Oil Ltd., Toronto, \$32,088.32; Northern Electric Co. Ltd., Montreal, \$43,441.10; Nova Scotia Light and Power Co., Ltd., Halifax, \$6,526.47; Saguenay Terminals Ltd., Montreal, \$39,641.11; Yarrows, Ltd., Victoria, \$10,500.

<i>Allotment: Provision for supply of stores, fuel and insurance of C.C.S.</i>		
<i>"Montcalm"</i>		<i>125,000 00</i>
<i>Expenditures</i>		<i>95,643 03</i>
<i>Lapsed</i>	<i>\$</i>	<i>29,356 97</i>

Comments on Expenditures

Payments of \$5,000 or over were:—Dale & Co. Ltd., Montreal, insurance, \$21,720; Halifax Shipyards Ltd., Halifax, repairs, renewals and replacements, \$36,399.65; other expenditures including fuel, \$15,461.45; provisions, \$5,143.71; deck and engine supplies, \$4,638.01; equipment, \$5,500.17.

<i>Allotment: To cover harbour and transportation facilities at the port of</i>		
<i>Halifax</i>		<i>2,030,000 00</i>
<i>Expenditures</i>		<i>1,931,570 01</i>
<i>Lapsed</i>	<i>\$</i>	<i>98,429 99</i>

Comments on Expenditures

The Canadian National Railways was paid \$1,931,570.01 during the year in connection with additional harbour and transportation facilities at Halifax. The expenditures were approved by Order in Council P.C. 148/2980 of April 30, 1941.

<i>Allotment: Dredging in St. Charles River, Quebec</i>		<i>32,535 25</i>
<i>Expenditures</i>	<i>\$</i>	<i>32,535 25</i>

Comments on Expenditures

Payments amounting to \$32,535.25 were made to Marine Industries, Ltd., Montreal, under authority of Order in Council, P.C. 8670, November 7, 1941.

PART III

GENERAL OBSERVATIONS

GENERAL OBSERVATIONS

FOREIGN EXCHANGE CONTROL BOARD

The fiscal year of the Foreign Exchange Control Board is the calendar year. It is directed by Order in Council P.C. 7378 of December 13, 1940, that "an annual audit of the transactions of the Board shall be made by the Auditor General in such manner as he thinks proper and he shall certify to the House of Commons that in his opinion, having regard to such examination, the transactions of the Board have or have not been in accordance with the provisions of this Order and that the records of the Board do or do not show truly and clearly such transactions". From the information and the explanations received in the course of the audit, I am of the opinion, having regard to such examinations, that the transactions of the Board have been in accordance with the provisions of the Order in Council and that the records maintained show truly and clearly such transactions.

CONSOLIDATED REVENUE AND AUDIT ACT

Section 50 directs that in reporting the result of his examination and audit to the House of Commons, the Auditor General shall call attention to every case in which:

- (a) a grant has been exceeded; or
- (b) moneys received from sources other than the grants for the year to which the account relates have not been applied or accounted for according to the direction of Parliament; or
- (c) a sum charged against a grant is not supported by proof of payment; or
- (d) a payment so charged did not occur within the period of the account, or was, for any other reason, not properly chargeable against the grant, or was in any way irregular; or
- (e) a special warrant authorized the payment of any money; or
- (f) an objection of the Auditor General was overruled by the Governor in Council or the Treasury Board; or
- (g) a refund or remission of any tax, duty or toll has been made on the authority of any Act of Parliament.

With respect to (a), no grant was exceeded.

Transactions involving (b) and (d) have been noted in the relative revenue and expenditure accounts of the departments concerned.

With respect to (c), certain charges against grants were not supported by satisfactory proofs of payments, but the examination of the pertinent records disclosed good reasons why the usual documents were not available. The accounts involved pertain, in the main, to transactions outside of Canada.

No Governor General warrants were issued, and no objection of the Auditor General was overruled by the Treasury Board.

The refunds and remissions which come clearly within the scope of (g) have been noted in the relative accounts of the departments concerned. There are also certain transactions arising out of contractual agreements of or for the Minister of Munitions and Supply which influence administrative practices in assessing income and excess profits taxes. As it may be that the intent of the direction extends to such agreements, the following comments are made.

A contract with Atlas Steels Limited has as its primary purpose that of converting and enlarging plant facilities in order to produce larger quantities of special alloy steels. It is a provision of the agreement that for purposes of taxation under the Income War Tax Act and Excess Profits Tax Act, depreciation on the plant extension shall be deemed to accrue at the rate of $33\frac{1}{3}$ per cent per annum or in such lesser amount as may be earned from the operation of the plant extension. From the net profits on operations, before depreciation, the agreement provides for deductions of: (1) \$100,000 as the annual depreciation of the plant existing prior to the making of the agreement; (2) \$600,000 as the agreed standard profits of the standard period, and this sum is not to be subject to Excess Profits Tax; and (3) \$75,000 as the annual profits earned by Atlas Steels Limited under the Gun Program, this sum not to be subject to Excess Profits Tax.

An agreement with Sorel Industries Limited, made under the authority of Order in Council P.C. 5786 of October 19, 1940, provides for then existing facilities of the Company valued at \$4,507,630.46, and certain further facilities to be provided for the purposes of a gun plant, to be subject to rates of depreciation as set out in schedules to the agreement, which rates are to be accepted by the Government for purposes of determining the liability of Sorel Industries for income or profits taxes.

By agreement dated December 19, 1941, it was arranged with Algoma Steel Corporation, Limited, that the Company would construct plant for the production of pig iron. Associated with this program is the construction and installation of coke ovens and auxiliary equipment. The Algoma Steel Corporation recommended that, for this purpose, authority be granted to place a contract for \$7,575,000 with Koppers Company of Pittsburgh. Associated with the proposal is a condition quoted in Order in Council P.C. 641 of January 27, 1942, namely:

That the Company also represents that the Koppers Company is unwilling to make the contract deemed appropriate by the Company for the performance of the work unless and until it, the said Koppers Company, receives from His Majesty the undertakings set out in the attached agreement providing for the exemption from Canadian Income and Profits taxes and the provision for the Koppers Company of United States Exchange.

The agreement, dated February 20, 1942, among other things provides that His Majesty shall "forever indemnify, protect and hold harmless from, against and in respect of any and all claims or demands of whatsoever nature or kind which may be made by the Dominion of Canada or any Province of Canada upon or against Koppers or any subsidiary of Koppers (including, without limitation of the generality of the foregoing, Koppers' Canadian subsidiary, By-Product Coke Company of Canada, Limited) for any tax or taxes upon or in respect of the whole or any part of the income, profit or gain earned, made or derived by Koppers or by such subsidiary of Koppers under or by virtue of said contract between Koppers and Algoma or directly or indirectly in respect of the work or any part thereof; His Majesty hereby agreeing promptly to pay or otherwise procure the satisfaction and discharge of all said claims and demands to the acquittal and discharge of Koppers and of each and all of the subsidiaries of Koppers concerned;"

There are two contracts, neither approved by the Governor in Council, His Majesty's Government in the United Kingdom being principally concerned. They provide for the construction and operation of chemical works. The construction contract is with Chemical Construction Corporation and North American Cyanamid Limited, and the operating agreement is with Welland Chemical Works, Limited, and North American Cyanamid Limited. By the construction contract the Crown undertakes to reimburse to the Company or its non-resident employees any and all income, profits, excess profits, franchise and corporation and stock taxes and license fees of the Crown, including municipalities, levied or assessed against or required to be collected or paid by the Company and/or by any of its non-resident employees. By the operating agreement the Crown, in

effect, undertakes to reimburse both the operating company and its non-resident employees the difference between the Canadian assessment and the estimated assessment under the laws of the United States. The reimbursements were charged as expenses incurred in the performance of the contracts. In application, the difference between the Canadian assessment and the estimated assessment under the laws of the United States has been paid to the companies and charged as expense incurred in the performance of the contracts.

Section 50 above quoted ends with the direction that the Auditor General shall call attention also "to any other case which the Auditor General considers should be brought to the notice of Parliament". The following matters are noted:

Indian Trust Fund

This \$14,642,289.97 account forms part of Consolidated Revenue Fund. The rate of interest on \$12,947,619.56 is subject to the discretion of the Governor in Council, and since June 5, 1917, 5 per cent interest has been allowed. In all, the interest allowance amounted to \$731,604.93 in the last fiscal year. Of this amount, approximately \$400,000 was distributed in cash to those Indians belonging to bands having trust accounts.

Section 92 of the Indian Act, Chapter 98, R.S., vests in the Governor in Council a power to direct how and in what manner the moneys arising out of the administration of affairs of the several bands shall be invested and how the payments or assistance to which the Indians are entitled shall be made or given. But with respect to capital, the Governor in Council acts with the consent of the band, and the objects on which capital moneys may be expended are recited in section 93.

In the Report of this Office for the fiscal year 1939-40 it was pointed out that until 1917 a 3 per cent interest rate was allowed. The increase to 5 per cent was then made in order that a fair relationship be maintained between the rate paid on moneys borrowed from the public and that paid on the Trust Account. Recent loans bear coupons on a 3 per cent basis. The result may be illustrated by reference to two bands. The Blackfoot Band, 866 Indians, had, as of April 1, 1941, a trust account of \$1,493,276.54 and an undistributed interest accumulation of \$907,046.17. The interest earnings in the year amounted to \$120,016.13. Out of this sum the band financed various medical and farming services and made a per capita payment of \$50 to 111 members and \$25 to each of the other members of the band. The residue was left in the Account. At the year-end, the Blackfoot trust account amounted to \$1,499,450.85 principal and \$945,566.46 interest. In other words, it was \$45,000 larger than at the close of the previous year. The Dokis Band, 227 Indians, had a trust account of \$944,660.84 and \$6,083.39 of accumulated interest on April 1, 1941. The interest earnings amounted to \$47,537.21, while income from other sources brought the total available to \$49,472.21. A disbursement of \$49,560 was made to the members of the band, \$1,069.64 was spent for fire equipment and \$956.91 for other purposes. Consequently, the band spent more than the income for the year. It will thus be observed that in the case of the Blackfoot Band, the surplus added to the credit of its trust account was not much less than the difference between current Victory Loan rates and the 5 per cent rate allowed the Indians on their trust account. In the case of the Dokis Band, as practically all of the money was paid over to the individual Indians (the head of each household being paid approximately \$218 each for every man, woman and child in it) the situation would appear comparable to that of any bondholder. For such reasons, consideration may be merited to the proposition that the Indian Trust accounts be invested in securities of Canada, and thus the Indians would be treated neither better nor worse than all other Canadian investors in securities of the Government of Canada.

Another source of cash payments to certain Indians, mainly in Ontario, arises out of the distribution of what are known as Robinson Treaty moneys. In 1898, as a result of an arbitration, the Province of Ontario paid over approximately \$200,000. The Dominion capitalized the major part and from the earnings an annuity of \$4 per head is paid. The Dominion acts as a trustee and disburses annually the interest of a Fund entrusted to it for the benefit of the Robinson Treaty Indians. For many years the interest of the Fund has not been sufficient to pay the \$4 annuity and an annual grant is made to the account from the Consolidated Revenue Fund. In 1941-42 the sum was \$6,800. The propriety of this is open to question, as it does not appear that a Dominion obligation exists to pay more than it holds in trust.

Examination of the Trust Account indicates that, in addition to the natural increase and the taking of Indians into the Robinson Bands, causing the revenues to be inadequate, there exists an irregular practice of charging capital payments to revenue rather than to capital account. An Indian, upon enfranchisement, has a right under section 110 of the Indian Act to his share of the principal of the annuities of the band, capitalized at 5 per cent per annum. The annuity is \$4; thus the principal capitalized at 5 per cent is \$80. The action of the Department in charging to Revenue that which is principal has the effect of reducing earnings by \$80.

No principal payment is made when an Indian, eligible to receive a Cayuga or Treaty 9 annuity, is enfranchised. The Cayuga \$5 annuity is a distribution of earnings made from a \$100,000 principal payment by the Government of the United States of America. The Treaty 9, or James Bay Indians, payment of \$4, is provided annually by the Province of Ontario. Thus in both cases the Government of Canada acts as an agent in making the distribution. The Robinson Treaty fund does not appear to be distinguishable from the two other accounts mentioned above, yet when an enfranchisement takes place a different practice is applied.

A cash distribution of interest moneys and annuities is considered by the Department as a desirable and necessary feature of Indian administration. It is, however, apparent that increasing difficulty is being experienced in determining who should share these moneys. Due to intermarriage between Indians and those who, under the Indian Act, are not considered Indians, numbers of people of doubtful Indian parentage appear on the distribution lists. Failure to evolve a solution may result in the Crown (1) paying out moneys to people whose status as Indians is doubtful, (2) maintaining a system of residential and day schools wherein children of doubtful Indian parentage would be educated, (3) administering Indian reserves for people some of whom should not be, so far as the Act is concerned, resident thereon.

Munitions and Supply Employees' Compensation Clearing Account

Under the authority of the War Appropriation Act, 1940, and with the approval of the Governor in Council, P.C. 1913 of April 22, 1941, a special account has been set up in the public accounts of Canada so that all moneys having to do with costs of employees' compensation relative to defence projects may be controlled for accounting purposes.

Employees of, or under the supervision of, the Department of Munitions and Supply and of certain companies and agencies are deemed to come under the provisions of the Government Employees' Compensation Act by an opinion of the Department of Justice, or are considered employees within the meaning and for the purposes of the Act pursuant to Orders in Council made under the War Measures Act.

A summarized statement of the transactions for the fiscal year ended March 31, 1942, follows:

Amounts received as assessments from various companies..	2,228,280 01
Sundry refunds	2,091 00
Amount allowed as interest by boards	81 19
	<hr/>
	2,230,452 20
Disbursements for compensation and medical aid	470,497 84
Administration Expenses	46,819 25
Interest deposited to Receiver General	19 24
	<hr/>
	517,336 33
Balance, March 31, 1942	<hr/> <hr/> \$1,713,115 87

Of the balance on hand, \$1,663,087.19 is on deposit with the Receiver General in the Munitions and Supply Employees' Compensation Clearing Account (Public Accounts) and the remainder, \$50,028.68, is in the hands of various Provincial Workmen's Compensation Boards, as follows: Quebec \$10,001; Ontario \$14,401.70; Manitoba \$14,973.36; Saskatchewan \$4,656.33; Alberta \$918.92; British Columbia \$5,077.37.

The administration expenses, \$46,819.25, consist of the following: expenses charged by various boards, \$11,989.21; departmental expenses, salaries, \$26,679.37; travelling expenses, \$3,028.29; printing and stationery, office equipment, etc., \$4,924.97; sundries, \$197.41.

Post Office Department

In the Report of this Office for the fiscal year 1939-40, attention was directed to financial practices applicable to the management of the Post Office. In the past fiscal year that Department has assumed certain duties arising out of the administration of the Unemployment Insurance Act; also, among other things, it is a vendor of war savings stamps and certificates and of radio receiving licences, and it performs various censorship duties and acts as an agent for the Foreign Exchange Control Board. All of these, while in the public interest, have the effect of creating financial and accounting problems which could be more conveniently managed and controlled were the Post Office accounts operated as a separate entity and on a commercial basis, as is the practice in various countries, including the United Kingdom.

Public Debt Management

Large sums of money are being raised by means of Victory Loan and War Savings Certificate subscriptions. The debt management provisions of the Consolidated Revenue and Audit Act, 1931, are predicated upon the debt servicing administration being by a division of the Department of Finance, but that duty is now performed to a large extent by the Bank of Canada. The authority is section 23 of the Bank of Canada Act. From time to time problems arise, solutions for which are not easily found because the 1931 legislation did not contemplate present day practices. From the long range viewpoint, material problems may be visualized. Examples are: (1) the redemption of non-transferable War Savings Certificates subscribed for by minors; (2) the position of an investor who subscribed for bonds or certificates by means of payroll deductions but for one reason or another the sum was not paid over to the Receiver General; and (3) the uncertainty which may exist in litigation as to whether proceedings must be by petition of right, or if the Bank of Canada, as a corporation, may be named. In the United Kingdom the Bank of England performs debt servicing duties akin to those resting here on the Bank of Canada, with both holders and the Bank

subject to The National Debt Act, 1870, and amendments thereto. It may be that, in the public interest, consideration might prudently be given to enacting suitable legislation in Canada.

Public Works Department

In reporting on Vote 194 for the fiscal year 1940-41, it was stated at page 342 of the Report of this Office that \$37,328.15 was paid to the Government of the Province of Quebec in connection with the surfacing of the Berthier Island road. A cheque for this amount had been issued, but it was not negotiated until the accounts in connection with the work were finally adjusted. This was completed in the fiscal year 1941-42 and the claims of the Province settled by the payment of \$31,678.56.

Salary Payments

By Order in Council P.C. 4759 of June 27, 1941, it is directed that "during the continuance of the present war and until it is otherwise ordered, no male person of military age shall be appointed to the Public Service unless he is ineligible for service in the Forces, or unless the Civil Service Commission certifies that his appointment is necessary in the public interest." The implementing of this Order in Council can, and does, clash with the needs of departments. That is, the audit has disclosed that persons are assigned, pending the filing of medical certificates or those of the Commission. An earlier direction of the Treasury Board, March 3, 1941, increased from thirty to sixty days the period during which payments might be made to new employees without certificates of assignment. The intent of the latter direction was to permit payment to be made for work performed during the period when the formal notices of assignment, etc., were being prepared and transmitted by the Civil Service Commission. It has been observed during the audit that persons were temporarily employed without Service Forces ineligibility certificates; also that many temporary employees continued to be paid for periods far in excess of sixty days without certificates from the Civil Service Commission. It is evident that the practice of continuing procedures developed and applied prior to the war expansion of the staff establishments of departments is now neither economical nor efficient from the viewpoint of providing adequate control against the risk of salary expenditures being made contrary to law or executive direction.

War Exchange Conservation Act

Section 8 permits the Governor in Council, in order to increase or conserve Canada's supply of foreign exchange, for the purposes of the agreements mentioned below, to enter into agreements granting assistance "by way of special tax credits and/or special allowances for depreciation or depletion under the Income War Tax Act and/or The Excess Profits Tax Act, if, in the opinion of the Governor in Council, such assistance is necessary in order that an expansion of the exports of any corporation receiving such assistance may take place, or that the exports of any such corporation may be maintained at levels higher than would otherwise obtain. . . . " It has not been observed that, for taxation purposes, any return affected by such an agreement had been assessed up to March 31st last. But in view of the basis on which certain arrangements are predicated, attention is directed to the subject.

For the most part, the agreements implementing the foregoing provisions authorize the corporations concerned to make accelerated depreciation deductions from income that would otherwise be taxable under the Acts. These deductions generally consist of pro rata portions of the capital cost of relative plant extensions and additions, or development costs, spread over periods varying from one to several years. An agreement with Connors Bros. Limited, authorized by P.C.

7589 of October 1, 1941, recites that a quick freezing cold storage plant, in respect of the cost of which special depreciation deductions were authorized, was actually completed before the authorization of the Governor in Council to enter into an agreement was given. Agreements with Western Peat Company, Limited (P.C. 6564 of August 26, 1941) and Sorg Pulp Company Limited (P.C. 6690 of August 26, 1941) provide that, under certain conditions, neither be subject to taxation liability under the Second Part of the Second Schedule of The Excess Profits Tax Act. Assuming the companies' profits are such as would otherwise bring them within the scope of the Second Part, it is necessary, in order to implement these two agreements, to accept the view that section 8 of the Act vests in the Governor in Council the power to agree to exempt from a tax levy.

Another class of cases is represented by agreements with Falconbridge Nickel Mines Limited (P.C. 6833 of August 28, 1941) and Brown Corporation (P.C. 6843 of August 29, 1941). In the case of Falconbridge, the special depreciation allowance is to be equal to one cent per pound of all nickel sold by the Company in the calendar year 1942 and subsequently, whether contained in matte or otherwise, up to a maximum of \$901,920. The Brown Corporation agreement provides for a special depreciation allowance, up to a maximum cost of \$650,000, equal to the increase in the profits of the Company in respect of the fiscal year of the Company ending on November 29, 1941, and its subsequent fiscal years not extending beyond on or about December 1, 1945, due to the increase in exports to the United States resulting from the carrying out of the project involved. Depreciation, in Income Tax practice, is calculated by means of a base capital cost being progressively diminished by a percentage of the value being charged against Revenue. In both cases referred to, the special depreciation allowances are to be calculated by methods which are novel to the administrative practices of the Income Tax Division.

National Harbours Board

Accounts of the National Harbours Board for the fiscal year January 1 to December 31, 1941, were audited in accordance with section 34 of the National Harbours Board Act, 1936.

The revenue of the Board totalled \$11,634,413.60, in addition to \$300,000 received from the City of Montreal and the Province of Quebec towards the deficit of the Jacques Cartier Bridge. Expenditures amounted to \$15,449,293.11: operating expenses \$4,919,289.08; interest to private holders \$1,042,814.59 and \$7,027,076.27 for interest due the Dominion Government; \$1,962,227.17 for reserve for replacements and depreciation; and \$497,886 for miscellaneous charges to income.

\$339,240.98 was charged to the surplus and deficit account as a result of asset write-offs and other adjustments. The Dominion Government paid \$32,515.38 towards the deficit of the Churchill Harbour. Thus the net deficit in the year was \$3,821,605.11.

Loans amounting to \$1,094,456.16 were made by the Government to the Board during its fiscal year: \$1,069,456.16 for capital expenditures and retirement of debt and \$25,000 for working capital at Churchill Harbour. Repayment of loans by the Board totalled \$740,273.71 during the same period.

The net amount of loans outstanding at December 31, 1941, for all activities under the Board amounted to \$155,574,357.14, the details of which follow: Halifax Harbour, \$12,448,668.89; Saint John Harbour, \$16,547,204.24; Chicoutimi Harbour, \$3,837,793.78; Quebec Harbour, \$27,772,903.54; Three Rivers Harbour, \$3,820,535.11; Montreal Harbour, \$61,175,680.07; Jacques Cartier Bridge, \$4,815,356; Churchill Harbour, \$35,258.98; Vancouver Harbour, \$25,120,956.53.

Section 31 of the National Harbours Board Act, 1936, requires that separate accounts be kept for each harbour under the jurisdiction of the Board and that the revenues derived therefrom shall be assigned exclusively for the purposes of each such harbour. During the year the Board made interest payments to the Dominion Government on loans made to several of the harbours. These totalled \$3,400,082.19, the harbours being: Halifax, \$500,000; Three Rivers, \$150,000; Montreal, \$2,100,000; Vancouver, \$650,000, and interest amounting to \$82.19 on the working capital loan of \$25,000 to Churchill Harbour. In addition to the above interest, the Board paid to the Government \$212,843.58, being the net income surplus for 1941 derived from the operations of the Prescott Elevator, \$131,104.68, and Port Colborne Elevator, \$81,738.90.

Condensed Balance Sheets for all harbours and elevators, including Jacques Cartier Bridge, which were operated by the National Harbours Board for the years 1941 and 1940 follow:

<u>Assets</u>	<u>1941</u>	<u>1940</u>
Fixed Assets	224,352,663 48	223,753,116 74
Less—Reserve for replacement, depreciation and miscellaneous	12,702,566 29	11,866,951 86
	<u>211,650,097 19</u>	<u>211,886,164 88</u>
Current Assets	3,817,976 04	3,662,719 45
Investments and other funds	11,679,954 31	9,523,694 29
Prepaid charges and deferred debits	65,468 88	726,912 93
Bond discount, Jacques Cartier Bridge	246,218 82	255,064 98
Security Deposits	232,039 47	120,251 61
	<u>\$227,691,754 71</u>	<u>\$226,174,808 14</u>
<u>Liabilities</u>		
Debtenture indebtedness to Public	20,601,582 35	21,003,582 35
Current Liabilities	974,481 73	588,699 59
Deferred Items	239,730 33	212,474 08
Security Deposits	232,039 47	120,251 61
Proprietary Accounts	205,643,920 83	204,249,800 51
	<u>\$227,691,754 71</u>	<u>\$226,174,808 14</u>

The following statement shows the various accounts which constituted the Proprietary Accounts for 1941 and 1940:

	<u>1941</u>	<u>1940</u>
Loans and advances from Dominion Government	155,574,357 14	155,220,174 69
Matured Interest due Dominion Government	51,072,999 06	47,295,922 79
Expenditures under Dominion Government Appropriations	50,068,929 23	49,125 853 79
Reserves—		
Fire and General Insurance	563,036 14	458,842 36
General Workmen's Compensation	171,324 94	134,127 45
	<u>734,361 08</u>	<u>592,969 81</u>
	257,450,646 51	252,234,921 08
Less—Surplus and Deficit Account	51,806,725 68	47,985,120 57
	<u>\$205,643,920 83</u>	<u>\$204,249,800 51</u>

GOVERNMENT-OWNED (MUNITIONS) COMPANIES

Section 6 (3) (a) of the Department of Munitions and Supply Act, as amended, reads:

"The Minister may, if he considers that the carrying out of any of the purposes or provisions of this Act is likely to be facilitated thereby, procure the incorporation of any one or more companies or corporations under the provisions of *The Companies Act, 1934*, or under the provisions of any Act of any province of Canada relating to the incorporation of companies, for the purpose of exercising and performing in Canada or elsewhere any of the powers conferred or the duties imposed on the Minister by this Act or by the Governor in Council and may delegate to any such company or corporation any of the powers and duties conferred or imposed upon the Minister under this Act or any Order in Council."

To March 31, 1942, the following companies were incorporated, all under the provisions of *The Companies Act, 1934*: Allied War Supplies Corporation, incorporated July 23, 1940; Atlas Plant Extension Limited, incorporated October 7, 1940; Citadel Merchandising Co. Limited, incorporated May 17, 1940; Cutting Tools and Gauges Limited, incorporated November 14, 1941; Fairmont Company Limited, incorporated May 16, 1940; Federal Aircraft Limited, incorporated June 24, 1940; Machinery Service Limited, incorporated December 22, 1941; Melbourne Merchandising Limited, incorporated September 26, 1940; National Railways Munitions Limited, incorporated February 14, 1941; Plateau Company Limited, incorporated May 16, 1940; Polymer Corporation Limited, incorporated February 13, 1942; Research Enterprises Limited, incorporated July 20, 1940; Small Arms Limited, incorporated August 7, 1940; War Supplies Limited, incorporated May 13, 1941; Wartime Housing Limited, incorporated February 28, 1941; Wartime Merchant Shipping Limited, incorporated April 4, 1941; and Wartime Metals Corporation, incorporated March 17, 1942.

In addition to the above-mentioned companies, Toronto Shipbuilding Company Limited is also under the administration of the Department of Munitions and Supply. By Order in Council P.C. 8027 of October 17, 1941, the Minister was authorized to enter into an agreement with the Dufferin Paving and Crushed Stone Limited, for the acquisition of the issued share capital of the Dufferin Shipbuilding Company Limited, which Company was incorporated under the provisions of the Ontario Companies Act, together with certain freehold and leasehold property and the benefit of a certain railway siding agreement. In accordance with the terms of the agreement so authorized, and contemporaneously therewith, the name of the Dufferin Shipbuilding Company Limited, was changed to Toronto Shipbuilding Company Limited.

The companies referred to as having been incorporated under the provisions of *The Companies Act, 1934*, were incorporated, with share capital, under Part I of that Act, with the exceptions of Allied War Supplies Corporation and Wartime Metals Corporation, which were incorporated under Part II, as companies without share capital. In the case of each of the companies incorporated with share capital, the only shares issued, other than in the name of the Minister in trust for His Majesty the King in right of Canada, are directors' qualifying shares. Each director of such companies has filed, with the Secretary of the Department, an assignment, in blank, of his qualifying share.

The agreements between the Minister and the various companies contain the following, or a similar clause:

"It is understood and agreed that the Minister shall at all times have the right to exercise such control over the affairs and operations of the Company as he may in his absolute discretion think fit, and that the Company shall do or refrain from doing, as the case may be, all such things as the Minister may from time to time direct, and that all obligations of His Majesty under this agreement are conditional upon the Company acting accordingly."

Round sum advances are made to the various companies from the War Appropriation, following the receipt of formal requisitions therefor from the companies, usually at monthly intervals. The amounts of the advances made to the several companies dealing in commodities, i.e., Fairmont Company Limited, Melbourne Merchandising Limited and Plateau Company Limited, less repayments resulting from the proceeds of sales, are included as assets in the Dominion Balance Sheet. The advances made to Atlas Plant Extension Limited for the making the recoverable loans to Atlas Steels Limited, less repayments, are also included as an asset in the Dominion Balance Sheet; together with that portion of the advances to Research Enterprises Limited, which is represented by a loan to Rogers Majestic (1941) Limited. In all other cases the advances made to the various companies, less certain repayments received and collections made by the Department, are treated as expenditure in the Dominion Expenditure and Revenue Account, the view being taken by departmental officials concerned that inventories of raw materials and work in process, as well as other assets carried by manufacturing and other companies, may not be readily disposed of on the cessation of hostilities.

In accordance with the requirement of Section 6 (3) (c) of the Department of Munitions and Supply Act, as amended, the accounts of the various companies were audited by this Office to March 31, 1942, and covering audit reports were issued, except in the cases of the two companies incorporated within a period of two months prior to the close of the fiscal year. Copies of the audit reports were in all cases supplied to the Minister of Munitions and Supply and the Comptroller of the Treasury.

Allied War Supplies Corporation

Order in Council P.C. 3665 of August 3, 1940, authorizes the Minister to enter into a contract with Allied War Supplies Corporation. In the contract the Minister delegates to the Company:

- (i) "the supervision, direction and administration of the performance of all contracts,—heretofore or hereafter entered into by His Majesty the King in right of the Dominion of Canada or His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland or the Minister in respect of the acquisition, production, disposal, finishing, assembly, storage or transport of or otherwise relating to munitions of war or supplies as defined by the Department of Munitions and Supply Act of Canada as amended, or the design, construction, equipment and operation of plants, factories or other buildings for any of such purposes,—which the Minister may indicate to the Company,
- (ii) "the conduct, in cases in which the Minister may so request, of negotiations looking to the making of contracts in respect of the acquisition, production, disposal, finishing, assembly, storage or transport of or otherwise relating to munitions of war and supplies as so defined, or the design, construction, equipment and operation of plants, factories or other buildings for any of such purposes, and the preparation of drafts of such contracts for submission to the Minister for his consideration,
- (iii) "the co-ordination and expedition, in cases in which the Minister may so request, of the acquisition, production, disposal, finishing, assembling, storage or transport of munitions of war or supplies as so defined under contracts, the performance of which is for the time being under administration by the Company,"

the whole of the foregoing to be in accordance with such general or specific instructions as the Minister may give to the Company from time to time.

Broadly stated, the purposes for which the Company was established are to facilitate and expedite the war procurement program in Canada in the field of explosives, propellants, chemicals relating thereto, and ammunition filling. Its functions include: (i) the negotiation of agency or other contracts with established industries in the field referred to above; (ii) the supervision of construction and operation of industrial plants, by established industries acting as agents for the

United Kingdom or Dominion Governments; (iii) the exercise of control over expenditure and policy in relation to such undertakings; and (iv) the co-ordination of the whole program of such production.

Since the functions of Allied War Supplies Corporation are to supervise, administer and direct, rather than to trade or manufacture, its chief outlays consist of administrative expenses. These outlays are financed from a standing advance from the Department. Administrative expenses for the fiscal year 1941-42 were \$665,578.20, including office furniture and equipment purchased, \$19,654.56. At March 31, 1942, the assets of the Corporation were: Cash, \$5,911.23, Accounts Receivable, \$11,030.09, Deposits and advances, \$1,368.29; its liabilities were: Accounts Payable, \$16,312.18, Dominion Government advances, \$1,997.43.

Atlas Plant Extension Limited

Order in Council P.C. 3080 of May 1, 1941, authorizes the Minister to enter into an agreement, dated as of October 1, 1940, with Atlas Steels Limited and Atlas Plant Extension Limited. The agreement provides for a loan to be made to Atlas Steels Limited for the purpose of extending its plant so as to increase its capacity for the production of electric alloy steels, and also provides for the working capital loan necessary for the operation of the plant as so extended, such loans to be repaid in accordance with terms set forth in the agreement. The agreement, with subsequent amendments thereto, also provides for plant additions and machinery and equipment to be supplied to Atlas Steels Limited, as "capital assistance", at the expense of His Majesty the King in right of Canada, in connection with the production of ingot steel and the manufacture of certain gun barrels, breech rings, breech blocks and breech screws.

Attached to the above-mentioned agreement, and referred to therein as the "Schedule 'X' Agreement" is an agreement between the Minister and Atlas Plant Extension Limited, under which agreement the Minister delegates to the Company "the supervision, direction and administration of the performance of the main agreement, in accordance with such general or specific instructions as the Minister may from time to time give to the Company."

As at March 31, 1942, the Company's liability to the Dominion of Canada, for advances received for the purpose of making loans, as required, to Atlas Steels Limited, was \$6,533,483.04. In addition there was a liability of \$279,301.19 representing the unexpended portion (net) of advances received from the Department, for expenditure in connection with Atlas Steels Limited "capital assistance" projects. The outstanding loan to Atlas Steels Limited for plant extension purposes was \$4,048,406.85 as at March 31, 1942, after crediting \$1,521,650.61 in connection with a repayment received, while the outstanding loan for working capital purposes totalled \$2,600,000 as at that date.

Payments made by the Company in connection with the Atlas Steels Limited "capital assistance" projects, during the period under review, totalled \$2,860,708.49 which, together with an amount of \$216,990.32 expended to March 31, 1941, made a total of \$3,077,698.81 expended to March 31, 1942. Of this amount a total of \$1,872,202.73 was expended in connection with building additions and immovable equipment to which title is vested in Atlas Steels Limited.

Citadel Merchandising Company Limited

The agreement between the Minister and this Company, authorized by Order in Council P.C. 3710 of August 5, 1940, provides that the Company will "purchase or otherwise acquire, exchange, hire, mortgage, charge, sell or otherwise dispose of, ship, store and recondition, machine tools, presses, forging machinery and such other articles incidental to manufacturing munitions of war or war supplies, upon such terms and conditions as the Minister or the Deputy Minister of Munitions and Supply may from time to time direct." The Company acts as the principal agency for the procurement of machinery authorized, by Order in Council, to be

supplied for Canadian Account, as "capital assistance" to contractors engaged in manufacturing munitions of war or war supplies. It also acts in a similar capacity in connection with "capital assistance" authorized for United Kingdom Account. Funds are also made available to the Company, as required, for the purpose of acquiring reserve inventories of machines, which machines, in addition to being used for the making of subsequent deliveries to projects authorized to receive "capital assistance", are also available for sale or leasing to contractors engaged in war contracts. The machinery requirements of the government-owned manufacturing companies are also largely provided for by the Company.

In addition to the above, the Company, since May, 1942, has been acting as the sole priority agent with respect to machinery required to be imported from the United States to meet Canadian requirements.

The following is a summary of the account for advances received through the Department, for Canadian Account, for the year ended March 31, 1942:

Balance as at April 1, 1941	\$ 21,988,974 87
Advances received during Year, less refunds remitted ..	49,597,297 66
	<hr/>
	71,586,272 53
Deduct—	
Expenditures for machinery delivered to authorized projects, for which "final accounting statements" were submitted to the Department during Year....	\$ 37,226,031 71
Administrative and Operating Expenses for Year.....	338,408 97
	<hr/>
	37,564,440 68
Balance as at March 31, 1942	<hr/> 34,021,831 85 <hr/>

Advances received through the Department, for United Kingdom Account, totalled \$5,263,990.73 to March 31, 1941, and further advances of \$15,170,851.38 were received during the year under review, the total advances to March 31, 1942, being \$20,434,842.11. During the year, "final accounting statements" to a total of \$12,585,651.30 were submitted to the Department, with respect to machines delivered to authorized United Kingdom projects, and this amount merely awaited the receipt of formal clearance from the Department's Overseas Accounting Division before being charged against the advances received.

During the year under review, sales of machinery to a total of \$1,190,814.23 were made by the Company from its reserve inventories, such sales resulting in a gross profit of \$18,402.06. Rentals earned during the year, on machines out on lease, totalled \$105,560.63, and a depreciation reserve for an equivalent amount was provided with respect to these machines.

As at March 31, 1942, the Company's liability for advances received through the Department totalled \$54,456,673.96, of which \$34,021,831.85 was for Canadian Account and \$20,434,842.11 for United Kingdom Account, as stated above. In addition, there was a further liability of \$209,793.67 to the Department, representing the accountable value of machines acquired through transfer from various projects, at the Department's direction. Other liabilities totalled \$4,386,586.50, including \$3,933,644.56 for accounts payable re machines purchased on behalf of authorized projects and for reserve inventory purposes. The assets as at March 31, 1942, comprised, principally:

Advances to manufacturers and manufacturers' agents, in connection with orders placed for machinery	\$ 13,573,621 04
Cost of machinery delivered to contractors, to be reported to the Department for charge against inventory accounts of authorized projects.....	28,020,370 04
Cost of machinery delivered to contractors, for United Kingdom Account, and reported to the Department for charge against inventory accounts of authorized projects	12,585,651 30
Inventories of machines, less reserve for depreciation on machines out on lease	<hr/> 3,075,650 04 <hr/>

Cutting Tools and Gauges Limited

Order in Council P.C. 9003 of November 18, 1941, authorized the Minister to enter into an agreement with this Company, for the purpose of "reconditioning, repair, rebuilding, remodelling, reshaping, alteration and adaption of cutting tools . . .". This agreement remained in force until a new agreement, authorized by Order in Council P.C. 4301 of May 22, 1942, was entered into, superseding and replacing the earlier agreement, and having the effect of enlarging the scope of the Company's activities to include gauges as well as cutting tools. The Company's name had, on May 15, 1942, been formally changed from Cutting Tools Limited to Cutting Tools and Gauges Limited.

During the period from November 14, 1941, the date of incorporation, to March 31, 1942, preliminary expenses were incurred by the Company to a total of \$19,648.71. As at March 31, 1942, the Company's liability for working capital advances received through the Department was \$14,418.87, while outstanding accounts payable in connection with preliminary expenses totalled \$15,653.86.

As at March 31, 1942, the Company had in its charge capital assets, with title vested in His Majesty the King in right of Canada, to a total of \$29,143.13, including \$18,562 recorded for uncleared payments made by Citadel Merchandising Co. Limited in connection with machinery ordered for the use of the Company.

Fairmont Company Limited

The agreement between the Minister and this Company, authorized by Order in Council P.C. 5243 of October 2, 1940, provides that the Company will "purchase or otherwise acquire, exchange, hire, mortgage, charge, sell or otherwise dispose of, ship, store and recondition, and otherwise generally deal in such goods, wares and merchandise, materials and commodities considered necessary or expedient or incidental to the production of munitions of war and supplies, as the Minister of Munitions and Supply may from time to time direct."

Up to the time of the entry of Japan into the war, the Company imported rubber from Malaya and the Netherlands Indies, in accordance with an agreement entered into with the International Rubber Regulation Committee and the Minister, which agreement was formulated to protect the supply of rubber in Canada by the acquisition of a reserve stock of crude plantation rubber. Subsequent to the entry of Japan into the war and the resultant serious restriction of the sources of raw rubber, Order in Council P.C. 1265 of February 17, 1942, authorizes the Company to "purchase from any manufacturer or other person, any stocks of crude rubber including sole crepe and sole crepe trimming, or any part thereof, at prices to be determined by Fairmont Company Limited, not exceeding the fair cost to such manufacturer or other person of such rubber." Order in Council P.C. 1934 of March 13, 1942, establishes the basis for determining the "fair cost" to be allowed to the manufacturers or other persons from whom rubber is purchased by the Company. The Company sells rubber principally to manufacturers having contracts with the Minister for the production of war supplies for the Army, Naval and Air Services.

The following is a summary of the Company's operations for the year ended March 31, 1942:

Sales	\$ 14,206,397 23
Cost of Sales	13,887,599 87
Gross Profit	318,797 36
Deduct—	
Warehousing Expenses	\$ 55,857 37
Administrative Expenses	50,991 89
	106,849 26
Net Operating Profit	211,948 10

Add—Miscellaneous Income	1,540 62
	<hr/>
	213,488 72
Deduct—Loss on rubber in enemy hands at Hong Kong..	39,488 13
	<hr/>
Net Profit for Year	174,000 59
	<hr/> <hr/>

The balance at the credit of Surplus Account as at March 31, 1942, was \$184,420.56, after crediting the net profit of \$174,000.59 for the year under review.

For obvious reasons no comment is made respecting the Company's inventories of rubber as at March 31, 1942.

Federal Aircraft Limited

The activities of this Company comprise the following, authorized by Order in Council, as indicated:

- (a) The administration of all contracts entered into by the Minister, under which Avro Anson aircraft or any part or parts thereof are manufactured and/or assembled (Orders in Council P.C. 3085 of July 18, 1940, and P.C. 10054 of December 12, 1941).
- (b) The purchase, storing and distribution, under a "central purchasing plan", of certain aircraft parts required by manufacturers engaged in the Avro Anson aircraft program (Orders in Council P.C. 5558 of October 10, 1940, 1657 of March 10, 1941, 1482 of February 25, 1942, and 2319 of March 25, 1942).
- (c) The manufacture of Avro Anson fuselages (Orders in Council P.C. 5788 of October 19, 1940, and P.C. 82 of January 7, 1942).
- (d) The purchase, storing and distribution of spare parts for Avro Anson aircraft, as required by R.C.A.F. depots (Order in Council P.C. 1138 of February 14, 1941).

The following is a summary of the administrative expenses incurred by the Company during the year ended March 31, 1942:

General Expenses	\$ 142,790 64
Production and Engineering Expenses	301,961 27
Purchasing Expenses	48,693 89
	<hr/>
	493,445 80
Deduct—Portion allocated to manufacture of fuselages	6,000 00
	<hr/>
	487,445 80
Sales Tax	31,890 13
Cash Discounts re purchases in connection with manufacture of fuselages....	30,252 30
	<hr/>
	489,083 63
	<hr/> <hr/>

The following is a summary of the "central purchasing plan" transactions for the year under review:

Inventories as at April 1, 1941	\$ 513,385 72
Add—Purchases, including progress payments to contractors, expenditures for jigs and tools, and warehouse expenses	7,176,414 28
	<hr/>
	7,689,800 00
Deduct—Aircraft parts supplied to contractors	5,442,579 32
	<hr/>
Inventories as at March 31, 1942	2,247,220 68
	<hr/> <hr/>

The Company's manufacturing operations are carried on in premises leased by the Crown from the Cote de Liesse Land Corporation, at a rental of \$11,000 per annum, for a period of three years from November 16, 1940. The following is a summary of the operations for the year under review:

Work in Process as at April 1, 1941	\$ 94,966 19
Add—	
Raw Materials	\$ 245,707 25
Direct Labour	473,292 78
Factory Overhead expenses	362,162 84
Administrative Overhead Charge	5,066 87
	<hr/>
	1,086,229 74
	<hr/>
Deduct—Cost of fuselages produced and delivered to assembly plants	1,181,195 93
	<hr/>
Work in Process as at March 31, 1942	171,712 38
	<hr/>

Purchases of spare parts for Avro Anson aircraft totalled \$553,617.90 during the period under review, while parts to a total of \$424,514.90 were delivered to R.C.A.F. Equipment Depots or to contractors, leaving inventories totalling \$129,103 as at March 31, 1942.

As at March 31, 1942, the liability for advances received through the Department, in connection with the activities mentioned above, was \$2,467,471.91 while other liabilities totalled \$838,715.13. The principal assets at that date were:

Inventories of raw materials and work in process in connection with the manufacture of fuselages	\$ 271,266 02
Central Purchasing Plan—	
Inventories	\$2,247,220 68
Accounts Receivable	202,259 33
	<hr/>
	2,449,480 01
Anson Spares Program—	
Inventories	129,103 00
Accounts Receivable	420,640 38
	<hr/>
	549,743 38
	<hr/>

As at March 31, 1942, the Company had in its charge capital assets, with title vested in His Majesty the King in right of Canada, to a total of \$119,092.33, including \$46,352.48 recorded for uncleared payments made by Citadel Merchandising Co. Limited, in connection with machinery ordered for the use of the Company.

Machinery Service Limited

The agreement between the Minister and this Company, authorized by Order in Council P.C. 10215 of December 31, 1941, provides that the Company will "acquire, recondition, repair, re-model, reshape, rebuild, alter, design, manufacture, adapt, store and/or dispose of machinery, machine tools, equipment, jigs, dies, tools and fixtures, and such other articles used in the manufacture of munitions of war or war supplies as the Minister may from time to time designate."

During the period from December 22, 1941, the date of incorporation, to March 31, 1942, preliminary expenses were incurred by the Company to a total of \$16,565.72. As at March 31, 1942, the Company's liability for working capital advances received through the Department was \$209,492.72.

As at March 31, 1942, the Company had in its charge capital assets, with title vested in His Majesty the King in right of Canada, to a total of \$182,905.07, including \$92,397.79 recorded for uncleared payments made by Citadel Merchandising Co. Limited, in connection with machinery ordered for the use of the Company.

Melbourne Merchandising Limited

The agreement between the Minister and this Company, authorized by Order in Council P.C. 6091 of October 30, 1940, provides that the Company will "purchase or otherwise acquire, exchange, hire, mortgage, charge, sell or otherwise dispose of, ship, store and recondition, and otherwise generally deal in such goods, wares and merchandise, materials and commodities, considered necessary or expedient or incidental to the production of munitions of war and supplies, as the Minister of Munitions and Supply may from time to time direct".

The Company currently acts in acquiring wool, slipe, tops and yarn, in storing the same, and in making sales thereof to manufacturers having contracts with the Minister for the production of woven and knitted materials and articles for the Army, Naval and Air Services.

The following is a summary of the Company's operations for the year ended March 31, 1942:

Sales	\$5,891,351 16
Cost of Sales	5,125,185 23
Gross Profit	766,165 93
Deduct—	
Warehousing Expenses	\$ 49,830 33
Administrative Expenses	16,882 95
	66,713 28
Net Operating Profit	699,452 65
Add—Miscellaneous Income	2,630 14
Net Profit for Year	702,082 79

The balance at the credit of Surplus Account as at March 31, 1942, was \$727,888.31, after crediting the net profit of \$702,082.79 for the year under review.

As at March 31, 1942, the Company's liability to the Dominion of Canada for advances was \$5,531,319.10, while other liabilities totalled \$2,074,663.81. The principal assets were:

Balances at Bank	\$1,554,060 87
Inventories of wool, slipe, tops and yarn in Canadian warehouses, at cost....	3,019,519 37
Wool and slipe stored, in bond, in United States warehouses, at cost	1,017,356 22
Wool, slipe, tops and yarn in transit, at estimated cost	2,672,964 38

National Railways Munitions Limited

Order in Council P.C. 2887 of April 25, 1941, authorizes the Minister to enter into an agreement with the above Company and the Canadian National Railway Company, whereby the Company agreed to complete the construction of, and operate, the plant formerly under construction by the Canadian National Railway Company, for the manufacture of naval guns and howitzer carriages; and the Canadian National Railway Company agreed to transfer title of the buildings, plant and facilities to the Crown, on being reimbursed for the expenditures it had incurred.

The following is a summary of the Company's operations for the period from February 14, 1941, the date of incorporation to March 31, 1942:

Materials Used		\$ 277,031 57
Direct Labour		196,336 97
Factory Overhead Expenses	\$ 245,139 71	
Deduct—Portion applicable to Plant and Equipment....	64,356 86	
		<hr/> 180,782 85
Administrative Overhead Expenses	165,447 19	
Deduct—Portion applicable to Plant and Equipment....	71,349 94	
		<hr/> 94,097 25
Inventories of Work in Progress and Finished Goods as at March 31, 1942 (including guns delivered but not invoiced, pending determination of final costs)		<hr/> 748,248 64

As at March 31, 1942, the Company's liability for working capital advances received through the Department was \$1,118,838.18, while other liabilities totalled \$224,547.45. At that date, inventories of materials and supplies, together with the inventories of work in progress and finished goods, referred to above, totalled \$1,304,334.35.

As at March 31, 1942, the Company had in its charge capital assets, with title vested in the Crown, to a total of \$4,154,555.23, including \$1,203,910.64 recorded for uncleared payments made by Citadel Merchandising Co. Limited, in connection with machinery ordered for the use of the Company.

Plateau Company Limited

The agreement between the Minister and this Company, authorized by Order in Council P.C. 5553 of October 10, 1940, provides that the Company will "purchase or otherwise acquire, exchange, hire, mortgage, charge, sell or otherwise dispose of, ship, store and recondition, and otherwise generally deal in such goods, wares and merchandise, materials and commodities considered necessary or expedient or incidental to the production of munitions of war and supplies, as the Minister of Munitions and Supply may from time to time direct".

To March 31, 1942, the Company acted in acquiring raw silk, in storing the same, and in making sales to manufacturers having contracts with the Minister, principally for the production of parachutes.

The following is a summary of the Company's operations for the year ended March 31, 1942:

Sales		\$ 846,775 60
Cost of Sales		751,486 41
		<hr/> Gross Profit
		95,289 19
Deduct—		
Warehousing Expenses	\$ 4,720 70	
Administrative Expenses	6,560 19	
		<hr/> 11,280 89
Net Operating Profit		84,008 30
Add—Miscellaneous Income		1,090 91
Net Profit for Year		<hr/> 85,099 21

The balance at the credit of Surplus Account as at March 31, 1942, was \$81,753.19, after crediting the net profit of \$85,099.21 for the year under review, and charging the amount of \$3,346.02 for storage and administrative expenses which had been deferred as at March 31, 1941.

For obvious reasons no comment is made respecting the Company's inventories of silk as at March 31, 1942.

Polymer Corporation Limited

The agreement between the Minister and this Company, authorized by Order in Council P.C. 2369 of March 27, 1942, provides that the Company will "acquire, construct, install and establish the necessary land, buildings, machinery, equipment and plant for the manufacture, production and storage of synthetic rubber", title to such capital assets to vest in His Majesty the King in right of Canada. The Company, by the agreement, is to operate the plant and "manufacture or produce therein and deliver to His Majesty or otherwise as the Minister shall require, synthetic rubber and/or such other products or by-products as may be within the capacity of the Plant, and as the Minister shall from time to time direct".

During the period from February 13, 1942, the date of incorporation, to March 31, 1942, the only advance received by the Company, through the Department, was one of \$10,000 for immediate requirements in connection with preliminary administrative expenses.

Research Enterprises Limited

The agreement between the Minister and this Company, authorized by Order in Council P.C. 4464 of September 6, 1940, provides that the Company will manufacture optical glass and various types of instruments and technical equipment not otherwise available.

Sales during the year totalled \$3,429,379.29 while the cost of sales, based on estimated costs and unadjusted overhead rates, totalled \$3,006,493.61. The difference of \$422,885.68 was applied in reduction of the unabsorbed overhead of \$721,329.54, leaving a balance of \$298,443.86 unabsorbed as at March 31, 1942.

As at March 31, 1942, the Company's liability for working capital advances received through the Department was \$11,471,341.52, while other liabilities totalled \$3,114,504.97. The principal asset items at that date, other than bank balances and accounts receivable, were:

Prepayments to Suppliers	\$1,032,360 95
Progress Payments to Sub-Contractors	639,040 56
Inventories of Materials and General Stores, and Work in Process	7,854,503 71
Deferred Charges, including preliminary expenses, unabsorbed overhead and uncompleted chargeable work orders for production and maintenance	2,005,331 57
Loan to Rogers Majestic (1941) Limited (secured by first mortgage on the leasehold land, buildings, fixtures, and fixed machinery and equipment of Rogers Majestic (1941) Limited; and by the pledge of the outstanding shares, less directors qualifying shares, of Rogers Radio Tubes Limited)	285,000 00

As at March 31, 1942, the Company had in its charge capital assets, with title vested in His Majesty the King in right of Canada, to a total of \$5,520,-\$626.44, including \$110,034.27 for uncompleted chargeable work orders respecting equipment in course of manufacture by the Company, and \$301,553.96 recorded for uncleared payments made by Citadel Merchandising Co. Limited, in connection with machinery ordered for the use of the Company.

Small Arms Limited

The agreement between the Minister and this Company is authorized by Order in Council P.C. 4648 of September 11, 1940. The Company manufactures rifles and sub-machine guns.

The following is a summary of the Company's operations for the year ended March 31, 1942:

Sales	\$1,207,340 96
Cost of Sales, without considering unabsorbed portion of overhead expenses—	
Materials Used	\$ 479,797 99
Direct Labour	520,775 11
Factory Overhead Expenses	1,787,161 93
Administrative Overhead Expenses	119,485 06
	<hr/> 2,907,220 09
Deduct—	
Portion of overhead expenses applicable to manufacture of capital assets	50,674 42
	<hr/> 2,856,545 67
Deduct—	
Unabsorbed Overhead as at March 31, 1942	\$ 514,540 46
Inventories of Work in Progress and Finished Goods as at March 31, 1942	1,134,090 16
	<hr/> 1,648,630 62
	<hr/> 1,207,915 05
Loss for Year	<hr/> 574 09

As at March 31, 1942, the Company's liability for working capital advances received through the Department was \$2,969,264.29, while other liabilities totalled \$518,312.83. The principal asset items at that date, other than bank balances, were:

Inventories of materials and supplies, work in process and finished goods	\$1,709,663 60
Deferred Charges, including preliminary expenses and unabsorbed overhead expenses	989,177 18

As at March 31, 1942, the Company had in its charge capital assets, with title vested in His Majesty the King in right of Canada, to a total of \$8,544,435.36, including \$8,577.50 for deposits made on machinery not yet received, and \$498,929.65 recorded for uncleared payments made by Citadel Merchandising Co. Limited, in connection with machinery ordered for the use of the Company.

Toronto Shipbuilding Company Limited

The agreement between the Minister and this Company is authorized by P.C. 9509 of December 5, 1941. Under the agreement the Company undertakes to "build and construct ships and vessels, for and on behalf of His Majesty the King in right of Canada and to do such other work as may from time to time be required by written instructions from the Minister, and to provide the necessary facilities therefor".

No financial statements were prepared by the Company (formerly Dufferin Shipbuilding Company Limited) as at October 20, 1941, the date on which the

Crown acquired the issued share capital. The audit report, issued following the close of the fiscal year, covered the period from March 29, 1940, the date of incorporation, to March 31, 1942.

The following is a summary of the Company's operations for this period:

Sales, comprising ships delivered and billed during the period, together with approved extras	\$ 2,596,007 15
Cost of Sales—	
Materials	\$ 6,351,802 30
Direct Labour	2,501,006 10
Shipyard Expenses	881,631 72
General Expenses	608,719 38
	<hr/> 10,343,159 50
Less—Miscellaneous Income	39,290 93
	<hr/> 10,303,868 57
Deduct—	
Ships in course of construction, including inventories of materials and supplies (together with the cost of ships delivered but not billed, pending determination of final costs)	7,812,961 79
	<hr/> 2,490,906 78
Profit for Period, without providing for depreciation of capital assets	<hr/> 105,100 37

As at March 31, 1942, the Company's liability for advances received through the Department totalled \$3,329,226. Other liabilities totalled \$550,097.27, while share capital appeared in the Company's records at a valuation of \$550,000. The principal assets as at March 31, 1942, were:

Ships in course of construction, including inventories of materials and supplies (together with the cost of ships delivered but not billed, pending determination of final costs)	\$7,812,961 79
Deduct—Progress payments received	4,860,105 00
	<hr/> \$2,952,856 79
Capital Assets, comprising property, buildings, machinery and equipment, etc., at cost, without provision for depreciation	<hr/> 935,447 59

War Supplies Limited

Under the agreement between the Minister and this Company, authorized by Order in Council P.C. 3704 of May 26, 1941, the Minister authorizes the Company to "negotiate and deal with the Government of the United States of America and/or its departments and agencies (hereinafter referred to as "the Government") and, subject to approval by the Minister, to enter into agreements with the Government for the supply and delivery, by the Company to the Government, of munitions of war and supplies". The agreement also provides that, on being informed of any agreement entered into between the Company and "the Government", the Minister will enter into an agreement with a manufacturer or supplier carrying on business in Canada, for the supply of the munitions of war and supplies set forth in the Company's agreement with "the Government", on such terms as are necessary to enable the Company to carry out the terms of its agreement with "the Government". It is also provided in the agreement that

the Company will forthwith pay, to His Majesty the King in right of Canada, any and all moneys received by it under any agreement entered into with "the Government".

Based on information received from Canadian manufacturers and suppliers, respecting deliveries made by them in connection with agreements negotiated by the Company, invoices are prepared by the Department, on behalf of the Company, and such invoices are forwarded to the Company's office in Washington, D.C., for presentation to the United States departments or agencies concerned. Payments received from such departments or agencies by the Washington office are forwarded daily to the Federal Reserve Bank in New York, for credit to the Receiver General.

During the month of March, 1942, advance payments were received to a total of \$43,711,812.72 U.S., representing 30 per cent of the total of several large agreements or orders negotiated by the Company. As deliveries are made in connection with any of such orders, appropriate portions of the amounts of the advance payments are applied in payment of the invoices rendered.

As invoices are received from the Department and issued by the Company's Washington office, receivable accounts in the names of the United States departments and agencies concerned are charged in the Company's records, credit being given to an account captioned "Department of Munitions and Supply—Collection Account". As collections are received, credit is given to the appropriate receivable accounts, the "Collection Account" being charged. The following is a summary of the transactions recorded in the "Collection Account" for the period from May 13, 1941, the date of incorporation, to March 31, 1942:

	\$ U.S.
Invoices issued during the Period	24,429,943 28
Deduct—Collections received (including \$54,000 transferred from "Collection Suspense Account", re advance payments)	9,562,480 80
	<hr/> 14,867,462 48
Add—Adjustment for deliveries made prior to April 1, 1942, but invoiced subsequently (less advance payment amounts totalling \$225,000, applicable thereto)	5,614,843 86
Balance as at March 31, 1942	<hr/> 20,482,306 34

Round sum advances are received through the Department by the Company, as required, for meeting administrative expenses. The administrative expenses paid by the Company from such advances during the period from May 13, 1941, to March 31, 1942, totalled \$32,464.92 U.S. In addition the Company is supplied, free of charge, with office accommodation and services and with stenographic and clerical personnel, by the British Purchasing Commission, Washington; while office accommodation and services are also supplied, free of charge, to certain Ottawa employees of the Company, by the Department of Munitions and Supply.

As at March 31, 1942, the Company's records showed a liability of \$20,482,306.34 U.S. for "Department of Munitions and Supply—Collection Account" with an asset item for accounts receivable for a corresponding amount; while a liability of \$43,432,806.72 U.S. appeared for advance payments outstanding, with an asset item of a corresponding amount for "Department of Munitions and Supply—Collection Suspense Account." In addition, a liability of \$3,377.46 was shown for the unexpended portion of advances received through the Department for administrative expenses.

Wartime Housing Limited

The agreement between the Minister and this Company, authorized by Order in Council P.C. 2842 of April 24, 1941, provides that the Minister will delegate to the Company, "the power and duty of renting, purchasing, constructing or

otherwise acquiring, providing, equipping and furnishing (where necessary) leasing, selling and generally managing in the most economical and efficient manner, suitable living accommodation and transportation to and from work for persons who are or may be engaged in the production or transportation of munitions of war and supplies or on defence projects (as the same are respectively defined in section 2 of the Department of Munitions and Supply Act) or, with the approval of the Minister, others engaged in similar work connected with the prosecution of the war and for the families of such persons, in areas where, in the opinion of the Minister, there is or is likely to be a lack or serious shortage of such accommodation and/or transportation." The Company is authorized by the agreement to create local advisory committees and/or apply for the incorporation of subsidiary companies and, subject to the approval of the Minister, to delegate any or all of its powers and duties to such committees or companies. The Company has not yet entered into the field of transportation, nor has it incorporated any subsidiary companies, as permitted by the agreement.

To March 31, 1942, capital expenditures to a total of \$15,767,928.91 had been incurred by the Company, from advances supplied to it through the Department, in connection with authorized housing projects undertaken on behalf of the Minister, representing His Majesty the King in right of Canada. The following is a summary of these expenditures:

Land	\$ 197,172 34
Land Improvements	2,466,729 73
Buildings	12,528,512 19
Equipment, Furnishings, etc.	564,403 24
Office Furniture and Equipment (at Housing Projects)	11,111 41
	<u>15,767,928 91</u>

During the period from February 28, 1941, the date of incorporation, to March 31, 1942, the revenues from housing projects which had been completed or substantially completed, totalled \$378,167.82. The project operating expenses during the period totalled \$207,043.72, giving a net operating profit of \$171,124.10, without providing for depreciation. General administrative expenses totalled \$187,425.27, the net loss for the period being \$16,301.17.

The net loss for the period under review resulted because such period was required to bear, in addition to charges for administrative expenses incurred during the construction period, the organization expenses at various projects which were, as yet, yielding little revenue. By way of comparison, the operating results for the months of April and May, 1942, during which period several additional projects progressed beyond the organization stage, are given hereunder:

	April	May	Total, two months
Revenues	\$ 132,665 17	\$ 154,342 47	\$ 287,007 64
Deduct—Project Operating Expenses	55,509 29	62,659 42	118,168 71
Net Operating Profit, without providing for depreciation	77,155 88	91,683 05	168,838 93
Deduct—General Administrative Expenses	20,350 81	25,668 51	46,019 32
Net Profit	<u>56,805 07</u>	<u>66,014 54</u>	<u>122,819 61</u>

In addition to the expenditures incurred in the construction of authorized housing projects, operated or to be operated by the Company, expenditures were also incurred, at the direction of the Department, in connection with the construction of special projects to be turned over, on completion, to other administrative agencies, the expenditures made to be recovered by the Company in each such

case. During the period under review, expenditures in connection with such special projects totalled \$717,648.43, of which \$92,384.11 had been recovered, leaving \$625,264.32 outstanding as at March 31, 1942. The expenditures to March 31, 1942, were largely incurred in connection with the two following projects:

Construction of housing accommodation at munitions plant operated by Bata Shoe Company of Canada Limited at Frankfort, Ontario	\$ 331,819 10
Construction, equipping and furnishing of manning pool for merchant seamen, for use by the Department of Transport	279,256 86

Wartime Merchant Shipping Limited

The agreement between the Minister and this Company is authorized by Order in Council P.C. 2359 of April 4, 1941. Under the agreement the Minister delegates to the Company "the supervision, direction and administration of the performance of all contracts . . . entered into by His Majesty the King in right of Canada or His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland or the Minister in respect of the construction and assembling of cargo vessels in Canada or the design, construction, equipment and operation of shipyards, plants or other buildings or shipways for any of such purposes".

To March 31, 1942, progress claims submitted by contractors engaged in the construction of cargo vessels were reviewed and approved by the Company then forwarded to the Department for payment by Comptroller of the Treasury cheque, in accordance with a governing clause in the agreement referred to above. By Order in Council P.C. 3296 of April 23, 1942, authority was granted to the Minister to amend the agreement, so as to permit the Company to make the payments to the contractors from accountable advances to be supplied to it, as required for the purpose, and payments are currently being made, on behalf of the Department, as so authorized.

Order in Council P.C. 4737 of June 27, 1941, authorizes the Minister to enter into contracts for the procurement of component parts such as main engines, line shaftings, boilers and super heaters, auxiliaries, windlasses, winches, steering gears and electric generating sets, for distribution to the contractors, assignments of the amounts which would otherwise have been payable to the contractors to whom such parts are supplied, to be obtained from the contractors. To January 31, 1942, payments in respect of the purchases of such parts were made by Comptroller of the Treasury cheque, on the basis of invoices approved by the Company, while subsequent to that date the payments were made by the Company, as agent for the Department, from accountable advances supplied, as required for the purpose.

During the period from April 4, 1941, the date of incorporation, to March 31, 1942, progress claims totalling \$54,156,198.77 had been approved by the Company, for payment, of which total \$23,822,109.07 was in connection with Dominion of Canada contracts and \$30,334,089.70 in connection with United Kingdom contracts.

As at March 31, 1942, the Company's liability to the Department for advances and payments in connection with contracts for the building of ships and the acquisition of component parts totalled \$47,854,395.88, after making a charge for the basic price of ships delivered. Liabilities to shipbuilding contractors and component manufacturers amounted to \$5,512,430.30. The offsetting trust assets comprised mainly the following:

Contractors' progress claims respecting ships in course of construction . . .	\$ 46,805,198 77
Inventories of component parts, including manufacturers' progress claims ..	6,507,176 86

Advances are received by the Company through the Department, as required for meeting administrative expenses. The administrative expenses for the period from April 4, 1941, to March 31, 1942, totalled \$506,118.64. As at March 31, 1942, the Company's liability for the unexpended portion of the advances received was \$1,253.56.

Wartime Metals Corporation

The agreement between the Minister and this Company is authorized by Order in Council P.C. 2419 of March 27, 1942. Under the agreement the Minister delegates to the Company:

- (1) "the supervision, direction and administration of the performance of all contracts,—heretofore or hereafter entered into by His Majesty the King in right of the Dominion of Canada or His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland or the Minister in respect of the acquisition, production, disposal, finishing, assembly, storage or transport of or otherwise relating to munitions of war or supplies as defined by The Department of Munitions and Supply Act of Canada as amended, or the design, construction, equipment and operation of plants, factories or other buildings or quarries for any of such purposes,—which the Minister may indicate to the Company,
- (2) "the conduct, in cases in which the Minister may so request, of negotiations looking to the making of contracts in respect of the acquisition, production, disposal, finishing, assembly, storage or transport of or otherwise relating to munitions of war and supplies as so defined, or the design, construction, equipment and operation of plants, factories or other buildings or quarries for any of such purposes, and the preparation of drafts of such contracts for submission to the Minister for his consideration,
- (3) "the co-ordination and expedition, in cases in which the Minister may so request, of the acquisition, production, disposal, finishing, assembling, storage or transport of munitions of war or supplies as so defined under contracts, the performance of which is for the time being under administration by the Company,"

the whole of the foregoing to be in accordance with such general or specific instructions as the Minister may give to the Company from time to time.

Currently the Company is acting in supervising the performance of contracts entered into by the Crown in connection with the development and operation of sub-marginal mining properties, for the production of metallic magnesium and other metals.

No advance had been received by the Company through the Department to March 31, 1942.

REVENUE AND EXPENDITURE REPORTING

On March 27th last I addressed a letter jointly to the Deputy Minister of Finance and the Comptroller of the Treasury. It reads:—

On Tuesday of this week, the Prime Minister outlined the man-power policies to be applied forthwith to promote the total war effort. The intent is to avoid labour wastage and to eliminate non-essential activities—bookkeepers and clerks are specifically noted. The programme is of immediate and direct concern to each of us. Accounting is an essential to good administration, but when accounting activities and records duplicate each other, there can be waste.

In the coming fiscal year the Government may have an accounting programme exceeding 5 billions of income and outgo. Therefore, duplicate effort can involve many people, much office space and quantities of office supplies and equipment. Having been in turn Acting Deputy Minister of Finance, Comptroller of the Treasury and Auditor General, I think it is a fact that many records of the Deputy Minister of Finance and of the Auditor General could be destroyed by fire tonight and no serious consequences would result. But were those of the Comptroller of the Treasury lost, serious inconvenience would result. Consequently, I rank the Treasury records as essential and those of the other two offices justified only to the extent that they can prove worth.

The Audit Office has a staff of about 350. Of these, approximately 70 per cent receive under \$2,000 a year in salary, with a considerable number paid less than \$1,500. As practices now are, a substantial increase in staff will occur in 1942-43. In my opinion that can be largely avoided if, (1) the internal audit is strengthened, and (2) suitable steps are taken to centralize the compiling of statistical data for report purposes.

The elimination of errors before payment depends on an efficient internal audit. My thought is that, as the Treasury must examine every voucher before payment, the Audit staffs now making like examinations after payment should be consolidated into the internal audit sections of the Treasury. The Audit Office would retain its proper function—that of making continuous and critical examinations of the accounting procedures in order that flaws and weaknesses are exposed and corrected—and that can be carried out by a relatively small staff of experienced and well trained personnel.

Sections of the Audit Office and of the Dominion Bookkeeper's office necessarily devote considerable time to the compilation of statistical data for the purposes of reports to the House of Commons. Wastage of man-power in such work can be best avoided by the operation being made a part of the working of the basic records. I feel a staff saving can be made by centralizing the task in the Treasury.

This suggestion involves consideration being given to the Public Accounts and the Auditor General's Report. To a degree, they duplicate. Is it permissive to consolidate? The answer involves consideration of the Act. It places a duty on the Minister to present a statement of the financial operations of the year. Section 49 limits the obligation of the Auditor General to a certificate as to the state of each account at the year-end. Therefore, it is practicable to consolidate without a breach of either the directions or intent of the Act, so long as the Public Accounts are presented in the form specified by the Act.

Coming now to the question of form, the House of Commons is accustomed to a detailing of expenditures in the Audit report, and a summary statement in the Public Accounts. For a considerable period after Confederation, the reverse was the rule, and I have never been able to appreciate why the change was made, because the Cabinet being answerable to the House for its financial transactions, it would appear that the accounting of the stewardship should be by the Government. The Auditor General having no power to disallow, the value of his report must rest, not in the listing of proper transactions, but in bringing questionable items to the notice of the House of Commons. This is particularly applicable now, when hundreds of millions are involved.

My thought is: A document called the Public Accounts. Part I would present the financial operations and transactions of the year, as submitted to the Minister by the Deputy Minister of Finance, who might personally contribute only the survey of the financial operations—along the lines of his present introductory statement to the Balance Sheet. The Comptroller of the Treasury would compile the statements of operations in such detail as the Governor in Council directs. The state of the several accounts would be certified by him and by the Auditor General. Part II would be prepared and signed by the Auditor General and be his report to the House. It would comprise such comments as he considers necessary on matters recorded in Part I and such other observations and reports as other statutory directions might require.

No amending legislation would be needed, although it might be that the Government would consider it desirable to bring the subject to the notice of the House before it approved a revised plan. But that is a question of policy we need not explore. An Order in Council would be desirable under section 21 of the Consolidated Revenue and Audit Act 1931 to clothe the Comptroller of the Treasury with responsibility with respect to revenue accounts.

There is no novelty in the foregoing—it is the practice of various national governments in the British Commonwealth. I do not suggest that the plan be made applicable to the accounts of the fiscal year just ending—the work is mostly done. My thought is that we jointly discuss the idea and, if we agree that it has merit, have the matter brought to the notice of the Government. If in principle the suggestion is accepted, then plans can be made for the year 1942-43, with staffs shifted to where they will serve most effectively—either in accounting or in other administrative activities. As a class they are best suited for government work, therefore the saving in man-power will be effected mainly by reducing new requirements from the labour market.

I suggest that on a mutually satisfactory date, we meet in Doctor Clark's office.

Discussions resulted in a joint memorandum being submitted to the Minister of Finance. Exclusive of the appendix, the memorandum is:—

At the instance of the Auditor General, the undersigned have jointly discussed the modes which might be applied in reporting Revenues and Expenditures to the House of Commons. In a letter of March 27, 1942, addressed jointly to the Deputy Minister of Finance and to the Comptroller of the Treasury, the Auditor General points out that, as his Office has for ten years had no statutory responsibility for the issue of cheques, the accounting records maintained by it are primarily for Report purposes, and so he felt that there was a phase of duplicating accounting effort in Department of Finance, Treasury and Audit Office activities (especially in the last named) which might be avoided were the reporting of details of disbursements made to the House of Commons through the Public Accounts instead of, as at present, in the report of the Auditor General. He suggested that we jointly consider recommending to you that a return be made to the practice which was in effect from 1878 to 1886, with such variations as modern conditions necessitate.

The Auditor General estimates the current cost of this phase of work in his Office as approximating between \$80,000 and \$90,000 annually. He does not believe the net saving

to his vote would be the full amount, because a certain amount of re-organization would be necessary. We are of opinion that were the work in question made a duty of the Comptroller of the Treasury, a comparable staff increase in the Treasury would not be necessary. Consequently, a saving in staff should result, and, in view of the current shortage of account clerks, no difficulty should be experienced in assigning the staff in question to other work. We therefore feel that the proposal is worthy of consideration from the viewpoint of policy.

Various approaches were explored and, in the event that our notes may be helpful, an appendix is attached giving (1) the history of statutory directions in Canada; (2) a review of Canadian practices with respect to the two reports; (3) practices in some other countries; and (4) a general summary of our conclusions.

Prior to the war, the audit of accounts was carried out by the Treasury and departments periodically transmitting records, statements and duplicate sets of vouchers to the Audit Office for examination. The tremendous increase, due to the war, in the volume of transactions made this practice undesirable for various reasons, the more important being (1) cost, (2) the risk of long delay in the uncovering of errors, etc., and (3) the desirability of a frequent and direct examination being made of the work of new staffs. Consequently, in large departments the audit is now made by officers of the Auditor General continuously examining working records immediately following the charging of payments to appropriations. As this has proven to be more efficient than the old practice, it is now a settled procedure of the Audit Office and is being extended to all accounts.

The proposals now submitted for your consideration will not diminish in any way the respective responsibilities of departments, the Treasury or the Auditor General. On the other hand, the acceptance of the proposals will have the effect of making the Government collectively responsible for whatever policy is adopted with respect to the extent to which details of revenues and expenditures are reported, because the Auditor General's report will consist, in the main, of observations arising out of his audit which he is of opinion merit special consideration by the House.

The statutory directions as to the form of the financial reports to the House of Commons are general in nature and in the course of our legislative history have varied from time to time. Until 1855 no complete report was made to the House of Commons. William Lyon Mackenzie, by use of a committee of the Assembly, exposed the incompleteness of the records—for example, that for five years previous the accounts of the Receiver General and of the Inspector General were not in balance. As a result, he obtained legislation which had as its aim the tabling of one book of accounts which would disclose the true situation. It was to be called the Public Accounts and was to be prepared by a Board of Audit consisting of the Deputy Inspector General, the Commissioner of Customs and an Auditor with general powers to audit.

This practice was continued until 1878, when an Auditor General was appointed and directed to make reports to the House as to the state of the accounts. The Public Accounts were continued as a function of the Minister of Finance and his deputy minister. For several years the Auditor General reported on accounts in such summarized form as he considered necessary to explain the extent of his certificate. The Public Accounts, which were not, and never have been, certified by the Auditor General, gave the details. In the middle 1880's the Deputy Minister of Finance and the Auditor General agreed to reverse the practice—the details would be printed in the Audit report and a summary only would appear in the Public Accounts. That practice has continued in effect up to the present. No legislative action was taken with respect to the change.

The printing of detail by the Auditor General has been commended in the House on several grounds. The more important appear to be: (a) it has provided a means to readers to supply information which led to the exposing of frauds, and (b) it exposed extravagances. We have not noticed that the point has ever been stressed, but feel that until 1932 there was an obligation on the Auditor General to report in some detail, because a statutory duty rested on him to issue no cheque which could not be supported by immediate parliamentary authority. Therefore a detailed report provided, if the House saw fit to exercise it, a control over him.

The Auditor General, since 1932, performs an executive government function only when directed by the Treasury Board, acting under the authority of section 48 of the Consolidated Revenue and Audit Act 1931, to pre-audit an account or classes of accounts before payment. Such directions are rarely issued. Generally speaking, the examination of accounts before payment is now a duty on the Comptroller of the Treasury. There is therefore no administrative need for the Auditor General to keep accounts except for the purpose of preparing accounting statistics in his report to the House.

The purpose of the Public Accounts is to make an accounting by the Minister of Finance of the stewardship granted by Parliament to the government of the day, and the object of the Auditor General's report is to certify as to the accuracy of the Government's accounts and to report on the appropriation legality of the charges made to the Consolidated Revenue Fund. It is our belief that it would be a sound practice and a convenience were both reports submitted together in a single binding. We also believe that, due to the volume and ramifications of the financial transactions, a policy of summarizing expenditures in the Public Accounts is necessary. Otherwise, the accounting report may sacrifice its value by reason of its bulk and multiplicity of divisions. We think it probable that today the persons who examine such statements with care are the Members of Parliament, officials and some students of public finance. We therefore feel that the form of the Public

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Accounts should be adapted to suit the needs of Members, especially when voting Supply. For such a purpose, we feel that neither the Auditor General's Report nor the Public Accounts is currently free from criticism.

Our suggestions, as set out in greater detail in the appendix, are:—

- (1) that under a common cover there be tabled both the Public Accounts and the Auditor General's Report;
- (2) that the Public Accounts be the report employed to record the financial transactions, with details of expenditures following the form of "Details" printed in the Estimates book, but supplemented by such other material as the Minister of Finance may consider necessary to elucidate adequately the uses to which grants have been applied;
- (3) that the preparation of expenditure details be made a duty of the Comptroller of the Treasury.

The Public Accounts and the Auditor General's Report for the fiscal year 1941-42 are now in the course of preparation. Therefore, the suggestions made above refer to the reports which will be written a year from now with respect to the accounts of the fiscal year 1942-43. However, a decision in principle, as soon as convenient, is desirable; because, if the plan is adopted, the Auditor General will discontinue at once the keeping of various accounting records and will make available to the Comptroller of the Treasury the staff no longer required by him. Further, if a duty to assemble data is to be placed on the Comptroller of the Treasury, he should now make the necessary adjustments in his accounting systems in order that the information may be readily available when needed.

On July 31st the Minister of Finance brought to the notice of the House the decision of the Government to adopt, in principle, the recommendations set out in the memorandum.—Unrevised Edition of Debates, pp. 5470-2.

A revised staff establishment for this Office has been authorized in accordance with the provisions of the Civil Service Act, and steps are now being taken to give effect to it.

WATSON SELLAR.

October 31, 1942.

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